

# SENATE BILL 502

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By: **Senator Nathan–Pulliam**

Introduced and read first time: February 1, 2017

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Community Empowerment and**  
3 **Wellness Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of \$500,000, the  
5 proceeds to be used as a grant to the Board of Directors of the Bethel Outreach  
6 Center, Inc. for certain development or improvement purposes; providing for  
7 disbursement of the loan proceeds, subject to a requirement that the grantee provide  
8 and expend a matching fund; prohibiting the use of the loan proceeds or matching  
9 fund for sectarian religious purposes; establishing a deadline for the encumbrance  
10 or expenditure of the loan proceeds; and providing generally for the issuance and  
11 sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Baltimore  
16 City – Community Empowerment and Wellness Center Loan of 2017 in the total principal  
17 amount of \$500,000. This loan shall be evidenced by the issuance, sale, and delivery of State  
18 general obligation bonds authorized by a resolution of the Board of Public Works and  
19 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the  
20 State Finance and Procurement Article.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
22 single issue or may be consolidated and sold as part of a single issue of bonds under §  
23 8–122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
27 the books of the Comptroller and expended, on approval by the Board of Public Works, for

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the following public purposes, including any applicable architects' and engineers' fees: as a  
2 grant to the Board of Directors of the Bethel Outreach Center, Inc. (referred to hereafter in  
3 this Act as "the grantee") for the acquisition, planning, design, construction, repair,  
4 renovation, reconstruction, site improvement, and capital equipping of the Community  
5 Empowerment and Wellness Center, located in Baltimore City.

6 (4) An annual State tax is imposed on all assessable property in the State in rate  
7 and amount sufficient to pay the principal of and interest on the bonds, as and when due  
8 and until paid in full. The principal shall be discharged within 15 years after the date of  
9 issuance of the bonds.

10 (5) Prior to the payment of any funds under the provisions of this Act for the  
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
12 fund of \$200,000. No part of the grantee's matching fund may be provided, either directly  
13 or indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
14 the fund may consist of real property or funds expended prior to the effective date of this  
15 Act. The fund may consist of in kind contributions. In case of any dispute as to the amount  
16 of the matching fund or what money or assets may qualify as matching funds, the Board of  
17 Public Works shall determine the matter and the Board's decision is final. The grantee has  
18 until June 1, 2019, to present evidence satisfactory to the Board of Public Works that a  
19 matching fund will be provided. If satisfactory evidence is presented, the Board shall certify  
20 this fact to the State Treasurer, and the proceeds of the loan shall be expended for the  
21 purposes provided in this Act.

22 (6) No portion of the proceeds of the loan or any of the matching funds may be  
23 used for the furtherance of sectarian religious instruction, or in connection with the design,  
24 acquisition, or construction of any building used or to be used as a place of sectarian  
25 religious worship or instruction, or in connection with any program or department of  
26 divinity for any religious denomination. Upon the request of the Board of Public Works, the  
27 grantee shall submit evidence satisfactory to the Board that none of the proceeds of the  
28 loan or any matching funds have been or are being used for a purpose prohibited by this  
29 Act.

30 (7) The proceeds of the loan must be expended or encumbered by the Board of  
31 Public Works for the purposes provided in this Act no later than June 1, 2024. If any funds  
32 authorized by this Act remain unexpended or unencumbered after June 1, 2024, the  
33 amount of the unencumbered or unexpended authorization shall be canceled and be of no  
34 further effect. If bonds have been issued for the loan, the amount of unexpended or  
35 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State  
36 Finance and Procurement Article.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
38 1, 2017.