

HOUSE BILL 1387

B2

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CF SB 22

By: **Delegates Sophocleus and George**
Introduced and read first time: February 12, 2014
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Anne Arundel County – Calvary Food Bank**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$75,000, the
4 proceeds to be used as a grant to the Board of Directors of the Calvary
5 Community Economic Development Corporation for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 prohibiting the use of the loan proceeds or matching fund for sectarian religious
9 purposes; providing for repayment of the grant under certain circumstances;
10 establishing a deadline for the encumbrance or expenditure of the loan
11 proceeds; and providing generally for the issuance and sale of bonds evidencing
12 the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Anne Arundel
17 County – Calvary Food Bank Loan of 2014 in a total principal amount equal to the
18 lesser of (i) \$75,000 or (ii) the amount of the matching fund provided in accordance
19 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
20 delivery of State general obligation bonds authorized by a resolution of the Board of
21 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
22 8–124 and 8–131.2 of the State Finance and Procurement Article.

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
27 and first shall be applied to the payment of the expenses of issuing, selling, and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to the Board of Directors of the Calvary
5 Community Economic Development Corporation (referred to hereafter in this Act as
6 "the grantee") for the acquisition, planning, design, construction, repair, renovation,
7 reconstruction, and capital equipping of Calvary Food Bank, located in Anne Arundel
8 County.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
15 matching fund. No part of the grantee's matching fund may be provided, either
16 directly or indirectly, from funds of the State, whether appropriated or
17 unappropriated. No part of the fund may consist of in kind contributions or funds
18 expended prior to the effective date of this Act. The fund may consist of real property.
19 In case of any dispute as to the amount of the matching fund or what money or assets
20 may qualify as matching funds, the Board of Public Works shall determine the matter
21 and the Board's decision is final. The grantee has until June 1, 2016, to present
22 evidence satisfactory to the Board of Public Works that a matching fund will be
23 provided. If satisfactory evidence is presented, the Board shall certify this fact and the
24 amount of the matching fund to the State Treasurer, and the proceeds of the loan
25 equal to the amount of the matching fund shall be expended for the purposes provided
26 in this Act. Any amount of the loan in excess of the amount of the matching fund
27 certified by the Board of Public Works shall be canceled and be of no further effect.

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

36 (7) If the property that benefits from this grant ever ceases to be used as a
37 food bank, the Department of General Services shall require the grantee to repay the
38 grant, in whole or in part.

39 (8) The proceeds of the loan must be expended or encumbered by the Board
40 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
41 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
42 the amount of the unencumbered or unexpended authorization shall be canceled and

1 be of no further effect. If bonds have been issued for the loan, the amount of
2 unexpended or unencumbered bond proceeds shall be disposed of as provided in
3 § 8–129 of the State Finance and Procurement Article.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 June 1, 2014.