

SENATE BILL 352

B2

4r1623
CF 4r2035

By: **Senators Manno, Feldman, Forehand, Frosh, King, Madaleno,
Montgomery, and Raskin**

Introduced and read first time: January 22, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Melvin J. Berman Hebrew**
3 **Academy**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$32,500, the
5 proceeds to be used as a grant to the Board of Directors of the Melvin J. Berman
6 Hebrew Academy for certain development or improvement purposes; providing
7 for disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; prohibiting the use of the loan proceeds or
9 matching fund for sectarian religious purposes; establishing a deadline for the
10 encumbrance or expenditure of the loan proceeds; and providing generally for
11 the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, 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 Montgomery
16 County – Melvin J. Berman Hebrew Academy Loan of 2014 in a total principal amount
17 equal to the lesser of (i) \$32,500 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
21 8–124 and 8–131.2 of the State Finance and Procurement Article.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 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 Melvin J.
5 Berman Hebrew Academy (referred to hereafter in this Act as "the grantee") for the
6 acquisition, planning, design, construction, repair, renovation, reconstruction, and
7 capital equipping of the Melvin J. Berman Hebrew Academy, including restoring the
8 track and field, and installing a fitness circuit, located in Montgomery 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 funds expended prior to the
18 effective date of this Act. The fund may consist of real property or in kind
19 contributions. In case of any dispute as to the amount of the matching fund or what
20 money or assets may qualify as matching funds, the Board of Public Works shall
21 determine the matter and the Board's decision is final. The grantee has until June 1,
22 2016, to present evidence satisfactory to the Board of Public Works that a matching
23 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
24 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
25 the loan equal to the amount of the matching fund shall be expended for the purposes
26 provided in this Act. Any amount of the loan in excess of the amount of the matching
27 fund certified by the Board of Public Works shall be canceled and be of no further
28 effect.

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

37 (7) The proceeds of the loan must be expended or encumbered by the Board
38 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
39 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
40 the amount of the unencumbered or unexpended authorization shall be canceled and
41 be of no further effect. If bonds have been issued for the loan, the amount of
42 unexpended or unencumbered bond proceeds shall be disposed of as provided in
43 § 8-129 of the State Finance and Procurement Article.

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