

# SENATE BILL 1186

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By: **Senator Ferguson**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 10, 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 – Cross Street Market**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000, the  
4 proceeds to be used as a grant to the Mayor and City Council of Baltimore City for  
5 certain development or improvement purposes; providing for disbursement of the  
6 loan proceeds, subject to a requirement that the grantee provide and expend a  
7 matching fund; establishing a deadline for the encumbrance or expenditure of the  
8 loan proceeds; and providing generally for the issuance and sale of bonds evidencing  
9 the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
11 That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on  
13 behalf of the State of Maryland through a State loan to be known as the  
14 Baltimore City – Cross Street Market Loan of 2017 in a total principal amount equal to the  
15 lesser of (i) \$250,000 or (ii) the amount of the matching fund provided in accordance with  
16 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State  
17 general obligation bonds authorized by a resolution of the Board of Public Works and  
18 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the  
19 State Finance and Procurement Article.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
26 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 Mayor and City Council of Baltimore City (referred to hereafter in this Act as  
3 "the grantee") for the acquisition, planning, design, construction, repair, renovation,  
4 reconstruction, site improvement, and capital equipping of Cross Street Market, including  
5 tenant improvements, 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. No part of the grantee's matching fund may be provided, either directly or indirectly,  
13 from funds of the State, whether appropriated or unappropriated. No part of the fund may  
14 consist of real property. The fund may consist of in kind contributions or funds expended  
15 prior to the effective date of this Act. In case of any dispute as to the amount of the matching  
16 fund or what money or assets may qualify as matching funds, the Board of Public Works  
17 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
18 2019, to present evidence satisfactory to the Board of Public Works that a matching fund  
19 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
20 the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal  
21 to the amount of the matching fund shall be expended for the purposes provided in this Act.  
22 Any amount of the loan in excess of the amount of the matching fund certified by the Board  
23 of Public Works shall be canceled and be of no further effect.

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
32 1, 2017.