

SENATE BILL 916

B2

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CF 8lr3511

By: **Senator Ferguson**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Westport Community Land Trust**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of \$250,000, the
4 proceeds to be used as a grant to the Board of Directors of the Westport Community
5 Economic Development Corporation for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a requirement
7 that the grantee provide and expend a matching fund; establishing a deadline for the
8 encumbrance or expenditure of the loan proceeds; and providing generally for the
9 issuance and sale of bonds evidencing 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 Baltimore
14 City – Westport Community Land Trust Loan of 2018 in the total principal amount of
15 \$250,000. This loan shall be evidenced by the issuance, sale, and delivery of State general
16 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,
17 and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance
18 and Procurement Article.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
23 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
24 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
25 the books of the Comptroller and expended, on approval by the Board of Public Works, for
26 the following public purposes, including any applicable architects' and engineers' fees: as a
27 grant to the Board of Directors of the Westport Community Economic Development

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Corporation (referred to hereafter in this Act as “the grantee”) for the acquisition, planning,
2 design, construction, repair, renovation, reconstruction, site improvement, and capital
3 equipping of rowhome properties for the Westport Community Land Trust, located in
4 Baltimore City.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
11 fund of \$65,000. No part of the grantee’s matching fund may be provided, either directly or
12 indirectly, from funds of the State, whether appropriated or unappropriated. No part of the
13 fund may consist of real property or funds expended prior to the effective date of this Act.
14 The fund may consist of in kind contributions. In case of any dispute as to the amount of
15 the matching fund or what money or assets may qualify as matching funds, the Board of
16 Public Works shall determine the matter and the Board’s decision is final. The grantee has
17 until June 1, 2020, to present evidence satisfactory to the Board of Public Works that a
18 matching fund will be provided. If satisfactory evidence is presented, the Board shall certify
19 this fact to the State Treasurer, and the proceeds of the loan shall be expended for the
20 purposes provided in this Act.

21 (6) The proceeds of the loan must be expended or encumbered by the Board of
22 Public Works for the purposes provided in this Act no later than June 1, 2025. If any funds
23 authorized by this Act remain unexpended or unencumbered after June 1, 2025, the
24 amount of the unencumbered or unexpended authorization shall be canceled and be of no
25 further effect. If bonds have been issued for the loan, the amount of unexpended or
26 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State
27 Finance and Procurement Article.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
29 1, 2018.