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**By: Delegates Boston, E. Burns, Cummings, Doory, Fulton, Hammen, Harrison, Kirk, Krysiak, Marriott, McHale, McIntosh, Montague, T. Murphy, Oaks, Opara, Parker, and Rosenberg**

Introduced and read first time: February 5, 1996

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1996

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore Children's Museum -~~Maryland Consolidated~~**

3 **~~Capital Bond Loan of 1995 and Baltimore Children's Museum Loan of 1995~~**

4 [TAG ftpo]FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000

5 ~~\$750,000~~, the proceeds to be used as a grant to the Board of Directors of the

6 Baltimore Children's Museum, Inc. for certain planning, acquisition, development,

7 or improvement purposes; providing for disbursement of the loan proceeds, subject

8 to a requirement that the grantee provide and expend a matching fund; requiring

9 the grantee to grant and convey to the Maryland Historical Trust a historic

10 preservation easement; clarifying the use of the proceeds of the grant;and providing

11 generally for the issuance and sale of bonds evidencing the loan;~~amending Chapter~~

12 ~~115 of the Acts of the General Assembly of 1994, as amended by Chapter 131 of the~~

13 ~~Acts of the General Assembly of 1995, to alter the purposes of the grant to the~~

14 ~~Baltimore Children's Museum and to clarify the use of the proceeds of the grant;~~

15 ~~and amending Chapter 183 of the Acts of the General Assembly of 1995 to alter the~~

16 ~~purposes of the grant to the Baltimore Children's Museum and to clarify the use of~~

17 ~~the proceeds of the grant.~~

18 ~~BY repealing and reenacting, with amendments,~~

19 ~~Chapter 115 of the Acts of the General Assembly of 1994, as amended by Chapter~~

20 ~~131 of the Acts of the General Assembly of 1995~~

21 ~~Section 1(3) Item 50.01.00(D)~~

22 ~~BY repealing and reenacting, with amendments,~~

23 ~~Chapter 183 of the Acts of the General Assembly of 1995~~

24 ~~Section 1~~

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

3 (1) The Board of Public Works may borrow money and incur indebtedness on  
4 behalf of the State of Maryland through a State loan to be known as the Baltimore  
5 Children's Museum Loan of 1996 in a total principal amount equal to the lesser of (i)  
6 ~~\$1,000,000~~ \$750,000 or (ii) the amount of the matching fund provided in accordance with  
7 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
8 State general obligation bonds authorized by a resolution of the Board of Public Works  
9 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
10 Finance and Procurement Article and Article 31, § 22 of the Code.

11 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
12 single issue or may be consolidated and sold as part of a single issue of bonds under §  
13 8-122 of the State Finance and Procurement Article.

14 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
15 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
16 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
17 the books of the Comptroller and expended, on approval by the Board of Public Works,  
18 for the following public purposes, including any applicable architects' and engineers' fees:  
19 as a grant to the Board of Directors of the Baltimore Children's Museum, Inc. (referred  
20 to hereafter in this Act as "the grantee") for the acquisition of real property and for the  
21 planning, design, construction, alteration, ~~and renovation of, for the provision of~~  
22 ~~equipment and furnishings for, and for the installation of exhibits at, renovation,~~  
23 furnishing, and capital equipping of the Baltimore Children's Museum, to be located at  
24 Market Place in Baltimore City, adjacent to and including an existing open-air plaza, ~~the~~  
25 ~~grant to include~~ including expenses incurred by the grantee for:

26 (a) the preparation of a master plan for the area immediately surrounding  
27 and related to the Children's Museum;

28 (b) the securing of third party construction; ~~and~~ development and  
29 ~~management of~~ services in connection with the planning, design, construction, alteration,  
30 renovation, equipping, and furnishing of the Children's Museum; and

31 (c) the planning, design, construction, and purchase of ~~exhibits~~ furnishings,  
32 fixtures, and capital equipment for the Children's Museum.

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

37 (5) Prior to the payment of any funds under the provisions of this Act for the  
38 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
39 fund. No part of the grantee's matching fund may be provided, either directly or  
40 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
41 the fund may consist of real property, ~~in kind contributions, or funds expended prior to~~  
42 ~~the effective date of this Act, or in kind contributions. The fund may consist of funds~~  
43 expended prior to the effective date of this Act, including grant funds received from the

1 Mayor and City Council of Baltimore or funds received from private sources, all of which  
 2 the grantee has expended for uses permitted under this Act or for othercosts and  
 3 expenses incurred by the grantee in the planning, design, construction,alteration,  
 4 renovation, furnishing, and equipping of the Children's Museum, and in the planning,  
 5 design, acquisition, fabrication, and installation of exhibits to be displayed in the  
 6 Children's Museum. In case of any dispute as to the amount of the matching fund or what  
 7 money or assets may qualify as matching funds, the Board of Public Works shall  
 8 determine the matter and the Board's decision is final. The grantee hasuntil June 1,  
 9 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
 10 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
 11 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
 12 equal to the amount of the matching fund shall be expended for the purposes provided in  
 13 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
 14 by the Board of Public Works shall be canceled and be of no further effect.

15 (6) ~~(a)~~ As provided in § 8-127(b)(1)~~(ii)~~(i) of the State Finance and  
 16 Procurement Article, the grantee may expend the proceeds of the grant for expenses  
 17 incurred by the grantee in connection with the planning, design, construction, ~~and~~  
 18 ~~purchase of equipment, exhibits, and furnishings~~ alteration, renovation, equipping, and  
 19 furnishing, as permitted in this Act.

20 ~~(b) The improvements for which the funds are expended are not required to~~  
 21 ~~be capital improvements within the meaning of § 8-127(b)(2) of the State Finance and~~  
 22 ~~Procurement Article or the regulations or guidelines of the Board of Public Works.~~

23 (7) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to  
 24 the Maryland Historical Trust a perpetual preservation easement to the extent of its  
 25 interest:

26 (i) On the land or such portion of the land acceptable to the Trust;  
 27 and

28 (ii) On the exterior and interior, where appropriate, of the historic  
 29 structures.

30 (b) The easement must be in form and substance acceptable to the Trust  
 31 and the extent of the interest to be encumbered must be acceptable to the Trust.

32 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~  
 33 ~~read as follows:~~

34 ~~Chapter 115 of the Acts of 1994, as amended by Chapter 131 of the Acts of 1995~~

35 ~~Section 1(3)~~

36 ~~50.01.00~~

37 ~~MISCELLANEOUS GRANT PROGRAMS~~

38 ~~[TAG cap](D) (1) Baltimore Children's Museum, Inc. Provide a grant to the~~  
 39 ~~Baltimore Children's Museum, Inc. [to assist in the acquisition,~~  
 40 ~~design, construction, and equipping of the Baltimore Children's~~  
 41 ~~Museum, Inc.,] (REFERRED TO HEREAFTER IN THIS ACT AS~~  
 42 ~~"THE GRANTEE") FOR THE ACQUISITION OF REAL PROPERTY~~  
 43 ~~AND FOR THE PLANNING, DESIGN, CONSTRUCTION,~~

1 ALTERATION, AND RENOVATION OF, FOR THE PROVISION OF  
2 EQUIPMENT AND FURNISHINGS FOR, AND FOR THE  
3 INSTALLATION OF EXHIBITS AT, THE BALTIMORE CHILDREN'S  
4 MUSEUM, TO BE LOCATED AT MARKET PLACE IN BALTIMORE  
5 CITY, ADJACENT TO AND INCLUDING AN EXISTING OPEN AIR  
6 PLAZA, THE GRANT TO INCLUDE EXPENSES INCURRED BY THE  
7 GRANTEE FOR:  
8 ~~{TAG cap}(A) THE PREPARATION OF A MASTER PLAN FOR THE AREA~~  
9 ~~IMMEDIATELY SURROUNDING THE CHILDREN'S MUSEUM;~~  
10 ~~{TAG cap}(B) THE SECURING OF THIRD PARTY CONSTRUCTION,~~  
11 ~~DEVELOPMENT AND MANAGEMENT SERVICES IN CONNECTION~~  
12 ~~WITH THE CONSTRUCTION, ALTERATION, RENOVATION,~~  
13 ~~EQUIPPING, AND FURNISHING OF THE CHILDREN'S MUSEUM;~~  
14 ~~AND~~  
15 ~~{TAG cap}(C) THE PLANNING, DESIGN, CONSTRUCTION, AND PURCHASE OF~~  
16 ~~EXHIBITS FOR THE CHILDREN'S MUSEUM.~~  
17 ~~{TAG cap}(2) (A) AS PROVIDED IN § 8-127(B) (1)(II) OF THE STATE FINANCE~~  
18 ~~AND PROCUREMENT ARTICLE, THE GRANTEE MAY EXPEND~~  
19 ~~THE PROCEEDS OF THE GRANT FOR EXPENSES INCURRED BY~~  
20 ~~THE GRANTEE IN CONNECTION WITH THE PLANNING, DESIGN,~~  
21 ~~CONSTRUCTION, AND PURCHASE OF EQUIPMENT, EXHIBITS,~~  
22 ~~AND FURNISHINGS.~~  
23 ~~{TAG cap}(B) THE IMPROVEMENTS FOR WHICH THE FUNDS ARE EXPENDED~~  
24 ~~ARE NOT REQUIRED TO BE CAPITAL IMPROVEMENTS WITHIN~~  
25 ~~THE MEANING OF § 8-127(B)(2) OF THE STATE FINANCE AND~~  
26 ~~PROCUREMENT ARTICLE OR THE REGULATIONS OR~~  
27 ~~GUIDELINES OF THE BOARD OF PUBLIC WORKS.~~  
28 ~~{TAG cap}(3) THIS GRANT IS subject to the requirement that the grantee and/or~~  
29 ~~the Mayor and City Council of Baltimore provide an equal and~~  
30 ~~matching fund for this purpose, and IS further subject to the~~  
31 ~~requirement that the Mayor and City Council of Baltimore provide~~  
32 ~~assurances satisfactory to the Board of Public Works that~~  
33 ~~additional funds will be made available in the amount necessary to~~  
34 ~~complete this project. Further provided that no funds may be~~  
35 ~~expended until a complete Board of Directors and a Chairman of~~  
36 ~~the Board of Directors have been selected (Baltimore City).... 2,000,00~~

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37 **Chapter 183 of the Acts of 1995**

38 **SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF**  
39 **MARYLAND, That:**

40 (1) The Board of Public Works may borrow money and incur indebtedness on  
41 behalf of the State of Maryland through a State loan to be known as the Baltimore  
42 Children's Museum Loan of 1995 in a total principal amount equal to the lesser of (i)  
43 \$1,000,000 or (ii) the amount of the matching fund provided in accordance with Section

~~1 (5) below. This loan shall be evidenced by the issuance, sale, and delivery of State  
2 general obligation bonds authorized by a resolution of the Board of Public Works and  
3 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
4 Finance and Procurement Article and Article 31, § 22 of the Code.~~

~~5 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
6 single issue or may be consolidated and sold as part of a single issue of bonds under §  
7 8-122 of the State Finance and Procurement Article.~~

~~8 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
9 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
10 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
11 the books of the Comptroller and expended, on approval by the Board of Public Works,  
12 for the following public purposes, including any applicable architects and engineers' fees:  
13 as a grant to the Baltimore Children's Museum, Inc. (referred to hereafter in this Act as  
14 "the grantee") for the acquisition of real property and for the planning, design,  
15 construction, alteration, AND renovation OF, [and equipping of] FOR THE PROVISION  
16 OF EQUIPMENT AND FURNISHINGS FOR, AND FOR THE INSTALLATION OF EXHIBITS  
17 AT the Baltimore Children's Museum, TO BE LOCATED AT MARKET PLACE IN  
18 BALTIMORE CITY, ADJACENT TO AND INCLUDING AN EXISTING OPEN AIR PLAZA,  
19 THE GRANT TO INCLUDE EXPENSES INCURRED BY THE GRANTEE FOR:~~

~~20 (A) THE PREPARATION OF A MASTER PLAN FOR THE AREA  
21 IMMEDIATELY SURROUNDING THE CHILDREN'S MUSEUM;~~

~~22 (B) THE SECURING OF THIRD PARTY CONSTRUCTION, DEVELOPMENT  
23 AND MANAGEMENT OF SERVICES IN CONNECTION WITH THE CONSTRUCTION,  
24 ALTERATION, RENOVATION, EQUIPPING, AND FURNISHING OF THE CHILDREN'S  
25 MUSEUM; AND~~

~~26 (C) THE PLANNING, DESIGN, CONSTRUCTION, AND PURCHASE OF  
27 EXHIBITS FOR THE CHILDREN'S MUSEUM.~~

~~28 (4) An annual State tax is imposed on all assessable property in the State in rate  
29 and amount sufficient to pay the principal of and interest on the bonds as and when due  
30 and until paid in full. The principal shall be discharged within 15 years after the date of  
31 issuance of the bonds.~~

~~32 (5) Prior to the payment of any funds under the provisions of this Act for the  
33 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching  
34 fund. No part of the grantee's matching fund may be provided, either directly or  
35 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
36 the fund may consist of real property, in kind contributions, or funds expended prior to  
37 the effective date of this Act. In case of any dispute as to the amount of the matching  
38 fund or what money or assets may qualify as matching funds, the Board of Public Works  
39 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
40 1997, to present evidence satisfactory to the Board of Public Works that a matching fund  
41 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
42 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
43 equal to the amount of the matching fund shall be expended for the purposes provided in~~

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1 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
2 by the Board of Public Works shall be canceled and be of no further effect.

3           (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to  
4 the Maryland Historical Trust a perpetual preservation easement to the extent of its  
5 interest:

6                           (i) On the land or such portion of the land acceptable to the Trust;  
7 and

8                           (ii) On the exterior and interior, where appropriate, of the historic  
9 structures.

10                       (b) The easement must be in form and substance acceptable to the Trust  
11 and the extent of the interest to be encumbered must be acceptable to the Trust.

12           (7) (A) AS PROVIDED IN § 8-127(B)(1)(II) OF THE STATE FINANCE AND  
13 PROCUREMENT ARTICLE, THE GRANTEE MAY EXPEND THE PROCEEDS OF THE  
14 GRANT FOR EXPENSES INCURRED BY THE GRANTEE IN CONNECTION WITH THE  
15 PLANNING, DESIGN, CONSTRUCTION, AND PURCHASE OF EQUIPMENT, EXHIBITS,  
16 AND FURNISHINGS.

17                       (B) THE IMPROVEMENTS FOR WHICH THE FUNDS ARE EXPENDED ARE  
18 NOT REQUIRED TO BE CAPITAL IMPROVEMENTS WITHIN THE MEANING OF §  
19 8-127(B)(2) OF THE STATE FINANCE AND PROCUREMENT ARTICLE OR THE  
20 REGULATIONS OR GUIDELINES OF THE BOARD OF PUBLIC WORKS.

21           SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 June 1, 1996.