

---

**By: Delegate Boston (Baltimore City Administration)**

Introduced and read first time: February 26, 1996

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, March 4, 1996

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1996

---

CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore Arena**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$500,000~~  
4 \$240,000, the proceeds to be used as a grant to the Mayor and City Council of  
5 Baltimore for certain acquisition, development, or improvement purposes; providing  
6 for disbursement of the loan proceeds, subject to a requirement that the grantee  
7 provide and expend a matching fund; and providing generally for the issuance and  
8 sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness on  
12 behalf of the State of Maryland through a State loan to be known as the Baltimore Arena  
13 Loan of 1996 in a total principal amount equal to the lesser of (i) ~~\$500,000~~ \$240,000 or (ii)  
14 the amount of the matching fund provided in accordance with Section 1(5) below. This  
15 loan shall be evidenced by the issuance, sale, and delivery of State general obligation  
16 bonds authorized by a resolution of the Board of Public Works and issued, sold, and  
17 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
18 Procurement Article and Article 31, § 22 of the Code.

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,

2

1 for the following public purposes, including any applicable architects'and engineers' fees:  
2 as a grant to the Mayor and City Council of Baltimore (referred to hereafter in this Act  
3 as "the grantee") for the repair, renovation, and improvement of, and for the replacement  
4 of facilities at, the Baltimore Arena.

5 (4) An annual State tax is imposed on all assessable property in theState 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 andexpend a matching  
11 fund. 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  
13 the fund may consist of real property, in kind contributions, or funds expended prior to  
14 the effective date of this Act. In case of any dispute as to the amountof the matching  
15 fund or what money or assets may qualify as matching funds, the Board of Public Works  
16 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
17 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
18 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
19 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
20 equal to the amount of the matching fund shall be expended for the purposes provided in  
21 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
22 by the Board of Public Works shall be canceled and be of no further effect.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 June 1, 1996.