
By: Senators McFadden, Hoffman, and Sfikas

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Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

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CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Lyric Opera House**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$700,000, the
4 proceeds to be used as a grant to the Board of Directors of the Lyric Foundation,
5 Inc. for certain acquisition, development, or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee and
7 the Mayor and City Council of Baltimore provide and expend a matching fund;
8 requiring the grantee to grant and convey a certain easement to the Maryland
9 Historical Trust; and providing generally for the issuance and sale of bonds
10 evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore City
15 - Lyric Opera House Loan of 1996 in a total principal amount equal to the lesser of (i)
16 \$700,000 or (ii) the amount of the matching fund provided in accordance with Section
17 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
18 general obligation bonds authorized by a resolution of the Board of Public Works and
19 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
20 Finance and Procurement Article and Article 31, § 22 of the Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,
2 for the following public purposes, including any applicable architects' and engineers' fees:
3 as a grant to the Board of Directors of the Lyric Foundation, Inc. (referred to hereafter
4 in this Act as "the grantee") for the expansion and equipping of the stage and for the
5 construction and equipping of dressing rooms, offices, multiple use facilities, and an
6 elevator at the Lyric Opera House in Baltimore City.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the
12 purposes set forth in Section 1(3) above, the grantee and the Mayor and City Council of
13 Baltimore, ~~as equal participants,~~ shall provide and expend a matching fund. Of the total
14 \$700,000 matching fund, the grantee is responsible for \$400,000, and the Mayor and City
15 Council of Baltimore are responsible for \$300,000. No part of the grantee's or the Mayor
16 and City Council of Baltimore's matching fund may be provided, either directly or
17 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
18 the fund may consist of real property or in kind contributions. The fund may consist of
19 funds expended prior to the effective date of this Act. In case of any dispute as to the
20 amount of the matching fund or what money or assets may qualify as matching funds, the
21 Board of Public Works shall determine the matter and the Board's decision is final. The
22 grantee and the Mayor and City Council of Baltimore have until June 1, 1998, to present
23 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
24 If satisfactory evidence is presented, the Board shall certify this fact and the amount of
25 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
26 amount of the matching fund shall be expended for the purposes provided in this Act.
27 Any amount of the loan in excess of the amount of the matching fund certified by the
28 Board of Public Works shall be canceled and be of no further effect.

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

32 (i) On the land or such portion of the land acceptable to the Trust;
33 and

34 (ii) On the exterior and interior, where appropriate, of the historic
35 structures.

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

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

