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HB 523/95 - APP

1996 Regular Session
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CF 6lr1674

By: Senators Hoffman, Kelley, Young, and Sfikas

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1996

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Walters Art Gallery**

3 [TAG ftpo]FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$1,500,000~~
4 \$300,000, the proceeds to be used as a grant to the Board of Trustees of the Walters
5 Art Gallery, Inc. for certain acquisition, development, or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that the
7 grantee provide and expend a matching fund; requiring the grantee to grant and
8 convey a certain easement to the Maryland Historical Trust; and providing generally
9 for the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, 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 Walters Art
14 Gallery Loan of 1996 in a total principal amount equal to the lesser of (i) ~~\$1,500,000~~
15 \$300,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5)
16 below. This loan shall be evidenced by the issuance, sale, and delivery of State general
17 obligation bonds authorized by a resolution of the Board of Public Works and issued,
18 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
19 Procurement Article and Article 31, § 22 of the Code.

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,

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1 for the following public purposes, including any applicable architects'and engineers' fees:
2 as a grant to the Board of Trustees of the Walters Art Gallery, Inc. (referred to hereafter
3 in this Act as "the grantee") for the repair, renovation, restoration, and improvement of,
4 and for the provision of capital equipment for, the Walters Art Galleryin Baltimore City.

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 bondsas 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 (6) (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 this Act shall take effect
33 June 1, 1996.