
By: Senators Sfikas, Hoffman, Amoss, and McFadden

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Federal Hill and Fells Point - Maryland**
3 **Maritime Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,090,400,
5 the proceeds to be used as a grant to the Preservation Society of Federal Hill and
6 Fells Point for certain acquisition, development, or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 grantee provide and expend a matching fund; requiring a historic easement; and
9 providing generally 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 Baltimore City
14 - Federal Hill and Fells Point - Maryland Maritime Center Loan of 1996 in a total
15 principal amount equal to the lesser of (i) \$1,090,400 or (ii) the amount of the matching
16 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the
17 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of
18 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
19 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the
20 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
27 the books of the Comptroller and expended, on approval by the Board of Public Works,
28 for the following public purposes, including any applicable architects' and engineers' fees:
29 as a grant to the Preservation Society of Federal Hill and Fells Point (referred to
30 hereafter in this Act as "the grantee") for the acquisition, repair, renovation, restoration,
31 and equipping of adjoining properties on the waterfront in historic Fells Point, the site to
32 be used for a museum for the permanent display of the Maryland Historical Society's
33 maritime collection, an outdoor maritime display area, and a historic garden.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
7 fund. No part of the grantee's matching fund may be provided, either directly or
8 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
9 the fund may consist of in kind contributions or funds expended prior to the effective date
10 of this Act. The fund may consist of real property. In case of any dispute as to the amount
11 of the matching fund or what money or assets may qualify as matching funds, the Board
12 of Public Works shall determine the matter and the Board's decision is final. The grantee
13 has until June 1, 1998, to present evidence satisfactory to the Board of Public Works that
14 a matching fund will be provided. If satisfactory evidence is presented, the Board shall
15 certify this fact and the amount of the matching fund to the State Treasurer, and the
16 proceeds of the loan equal to the amount of the matching fund shall be expended for the
17 purposes provided in this Act. Any amount of the loan in excess of the amount of the
18 matching fund certified by the Board of Public Works shall be canceled and be of no
19 further effect.

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

23 (i) On the land or such portion of the land acceptable to the Trust;
24 and

25 (ii) On the exterior and interior, where appropriate, of the historic
26 structures.

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

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