

CF SB 681

By: Delegates Marriott, Fulton, Rawlings, Opara, Oaks, Rosenberg, Watson, and Kirk

Introduced and read first time: February 17, 1997

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Old Douglass High School Cultural Arts**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of \$550,000,
5 the proceeds to be used as a grant to the Frederick Douglass High School Alumni
6 Association, Inc. for certain acquisition, development, or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 Mayor and City Council of Baltimore provide and expend a matching fund;
9 requiring a historic easement on the property; and providing generally for the
10 issuance and sale of bonds 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 - Old Douglass High School Cultural Arts Center Loan of 1997 in the total principal
16 amount of \$550,000. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public Works
18 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
19 Finance and 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,
27 for the following public purposes, including any applicable architects' and engineers' fees:
28 as a grant to the Frederick Douglass High School Alumni Association, Inc. (referred to
29 hereafter in this Act as "the grantee") for the repair, renovation, rehabilitation, and
30 equipping of a cultural arts center, to be located at the Old Douglass High School in
31 Baltimore.

32 (4) An annual State tax is imposed on all assessable property in the State in rate
33 and amount sufficient to pay the principal of and interest on the bonds, as and when due

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1 and until paid in full. The principal shall be discharged within 15 years after the date of
2 issuance of the bonds.

3 (5) Prior to the payment of any funds under the provisions of this Act for the
4 purposes set forth in Section 1(3) above, the Mayor and City Council of Baltimore shall
5 provide and expend a matching fund of \$55,000. No part of the matching fund may be
6 provided, either directly or indirectly, from funds of the State, whether appropriated or
7 unappropriated. No part of the fund may consist of real property, in kind contributions,
8 or funds expended prior to the effective date of this Act. In case of any dispute as to the
9 amount of the matching fund or what money or assets may qualify as matching funds, the
10 Board of Public Works shall determine the matter and the Board's decision is final. The
11 Mayor and City Council of Baltimore have until June 1, 1999, to present evidence
12 satisfactory to the Board of Public Works that a matching fund will be provided. If
13 satisfactory evidence is presented, the Board shall certify this fact to the State Treasurer,
14 and the proceeds of the loan shall be expended for the purposes provided in this Act.

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

18 (i) On the land or such portion of the land acceptable to the Trust;
19 and

20 (ii) On the exterior and interior, where appropriate, of the historic
21 structures.

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

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 1997.