

SENATE BILL 424

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B2

1999 Regular Session  
9lr0537  
CF 9lr0556

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By: **Senators Hoffman, Della, McFadden, Madden, Hooper, Munson,  
Hollinger, Ruben, and Sfikas**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - The American Visionary Art**  
3 **Museum**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$750,000,  
5 the proceeds to be used as a grant to the Board of Directors of The American  
6 Visionary Art Museum, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; and providing generally for  
9 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  
14 City - The American Visionary Art Museum Loan of 1999 in a total principal amount  
15 equal to the lesser of (i) \$750,000 or (ii) the amount of the matching fund provided in  
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
17 and delivery of State general obligation bonds authorized by a resolution of the Board  
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
19 8-124 of the State 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  
21 a 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  
24 and first shall be applied to the payment of the expenses of issuing, selling, and  
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
26 shall be credited on the books of the Comptroller and expended, on approval by the  
27 Board of Public Works, for the following public purposes, including any applicable  
28 architects' and engineers' fees: as a grant to the Board of Directors of The American  
29 Visionary Art Museum, Inc. (referred to hereafter in this Act as "the grantee") for the  
30 renovation, repair, reconstruction, construction, and capital equipping of the adjacent  
31 property at 840 Key Highway in Baltimore City, that will be used for additional

1 exhibition and educational workshop space and as an urban institute for creative  
2 thinking and for the exchange of ideas and information on the revitalization of cities  
3 and urban regions.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the  
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
10 matching fund. No part of the grantee's matching fund may be provided, either  
11 directly or indirectly, from funds of the State, whether appropriated or  
12 unappropriated. No part of the fund may consist of real property, in kind  
13 contributions, or funds expended prior to the effective date of this Act. In case of any  
14 dispute as to the amount of the matching fund or what money or assets may qualify  
15 as matching funds, the Board of Public Works shall determine the matter and the  
16 Board's decision is final. The grantee has until June 1, 2001, to present evidence  
17 satisfactory to the Board of Public Works that a matching fund will be provided. If  
18 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
19 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
20 amount of the matching fund shall be expended for the purposes provided in this Act.  
21 Any amount of the loan in excess of the amount of the matching fund certified by the  
22 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, 1999.