

SENATE BILL 385

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B2

2001 Regular Session
1lr1109
CF 1lr1432

By: **Senators Hoffman, Blount, Bromwell, Colburn, Conway, Currie, Della,
Dorman, Hollinger, Hughes, Kasemeyer, Lawlah, Madden, McFadden,
Mitchell, Munson, Ruben, Sfikas, Stone, and Van Hollen**

Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
4 the proceeds to be used as a grant to the Board of Trustees of The Walters Art
5 Gallery for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; and providing generally for the issuance
8 and sale of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
10 MARYLAND, That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Baltimore
13 City - The Walters Art Museum Loan of 2001 in a total principal amount equal to the
14 lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided in accordance
15 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
16 delivery of State general obligation bonds authorized by a resolution of the Board of
17 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
18 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to the Board of Trustees of The Walters Art
28 Gallery (referred to hereafter in this Act as "the grantee") for the planning, design,
29 construction, and capital equipping of a building, at the corner of Cathedral and

1 Centre Streets in Baltimore, Maryland, for a new major exhibition space, a premier
2 art conservation laboratory, art handling, and storage.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
9 matching fund. No part of the grantee's matching fund may be provided, either
10 directly or indirectly, from funds of the State, whether appropriated or
11 unappropriated. No part of the fund may consist of real property or in kind
12 contributions. The fund may consist of funds expended prior to the effective date of
13 this Act. In case of any dispute as to the amount of the matching fund or what money
14 or assets may qualify as matching funds, the Board of Public Works shall determine
15 the matter and the Board's decision is final. The grantee has until June 1, 2003, to
16 present evidence satisfactory to the Board of Public Works that a matching fund will
17 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
18 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
19 equal to the amount of the matching fund shall be expended for the purposes provided
20 in this Act. Any amount of the loan in excess of the amount of the matching fund
21 certified by the Board of Public Works shall be canceled and be of no further effect.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2001.