

SENATE BILL 550

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2001 Regular Session
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CF 11r2926

By: **Senators Blount, Hoffman, Hughes, Kelley, McFadden, Mitchell, and Sfikas**

Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2001

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - ~~Baltimore City~~ - Outward Bound Leakin Park**
3 **Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$500,000~~
5 \$250,000, the proceeds to be used as a grant to the Board of Directors of
6 Hurricane Island Outward Bound School, Inc. for certain development or
7 improvement purposes; requiring the grantee to grant and convey a certain
8 easement to the Maryland Historical Trust; providing for disbursement of the
9 loan proceeds, subject to a requirement that the grantee provide and expend a
10 matching fund; and providing generally for the issuance and sale of bonds
11 evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the ~~Baltimore~~
16 ~~City~~ - Outward Bound Leakin Park Project Loan of 2001 in a total principal amount
17 equal to the lesser of (i) ~~\$500,000~~ \$250,000 or (ii) the amount of the matching fund
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
19 issuance, sale, and delivery of State general obligation bonds authorized by a
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as
24 a single issue or may be consolidated and sold as part of a single issue of bonds under
25 § 8-122 of the State Finance and Procurement Article.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of Hurricane
7 Island Outward Bound School, Inc. (referred to hereafter in this Act as "the grantee")
8 for the planning, design, and construction of a new building to be used for offices and
9 meeting space and for the repair, renovation, reconstruction, and capital equipping of
10 various existing buildings, and for repaving the road and improving parking areas
11 and grounds at the Leakin Park facility located at 1900 Eagle Drive in Baltimore.

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

16 (5) Prior to the payment of any funds under the provisions of this Act for the
17 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
18 matching fund. No part of the grantee's matching fund may be provided, either
19 directly or indirectly, from funds of the State, whether appropriated or
20 unappropriated. No part of the fund may consist of real property or in kind
21 contributions. The matching fund may consist of funds expended prior to the effective
22 date of this Act. In case of any dispute as to the amount of the matching fund or what
23 money or assets may qualify as matching funds, the Board of Public Works shall
24 determine the matter and the Board's decision is final. The grantee has until June 1,
25 2003, to present evidence satisfactory to the Board of Public Works that a matching
26 fund will be provided. If satisfactory evidence is presented, the Board shall certify this
27 fact and the amount of the matching fund to the State Treasurer, and the proceeds of
28 the loan equal to the amount of the matching fund shall be expended for the purposes
29 provided in this Act. Any amount of the loan in excess of the amount of the matching
30 fund certified by the Board of Public Works shall be canceled and be of no further
31 effect.

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

35 (i) On the land or such portion of the land acceptable to the Trust;
36 and

37 (ii) On the exterior and interior, where appropriate, of the historic
38 structures.

39 (b) If the grantee or beneficiary of the grant holds a lease on the land
40 and structures, the Trust may accept an easement on the leasehold interest.

1 (c) The easement must be in form and substance acceptable to the Trust
2 and any liens or encumbrances against the land or the structures must be acceptable
3 to the Trust.

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