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By: **Senators McFadden and Jones**

Introduced and read first time: January 17, 2005

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Masons Eutaw Place Temple**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$292,000,  
4 the proceeds to be used as a grant to the Most Worshipful Prince Hall Grand  
5 Lodge Free and Accepted Masons of Maryland and Its Jurisdiction, Inc. for  
6 certain development or improvement purposes; providing for disbursement of  
7 the loan proceeds, subject to a requirement that the grantee provide and expend  
8 a matching fund; establishing a deadline for the encumbrance or expenditure of  
9 the loan proceeds; requiring the grantee to grant and convey a certain easement  
10 to the Maryland Historical Trust; providing that no proceeds of a loan or any  
11 matching funds may be used for religious purposes; and providing generally for  
12 the issuance and sale of bonds evidencing the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on  
16 behalf of the State of Maryland through a State loan to be known as the Baltimore  
17 City - Masons Eutaw Place Temple Loan of 2005 in a total principal amount equal to  
18 the lesser of (i) \$292,000 or (ii) the amount of the matching fund provided in  
19 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
20 and delivery of State general obligation bonds authorized by a resolution of the Board  
21 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
22 8-124 of the State Finance and Procurement Article and 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.

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and  
28 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
29 shall be credited on the books of the Comptroller and expended, on approval by the  
30 Board of Public Works, for the following public purposes, including any applicable  
31 architects' and engineers' fees: as a grant to the Most Worshipful Prince Hall Grand  
32 Lodge Free and Accepted Masons of Maryland and Its Jurisdiction, Inc. (referred to

1 hereafter in this Act as "the grantee") for the renovation, restoration, and repair of  
2 the exterior of the Eutaw Place Temple located in Baltimore City, including work to be  
3 performed on the building structure, the roof, the domes, the fencing and gates,  
4 lighting and electrical lines and equipment, and other associated exterior work.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the  
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
11 matching fund. No part of the grantee's matching fund may be provided, either  
12 directly or indirectly, from funds of the State, whether appropriated or  
13 unappropriated. No part of the fund may consist of real property, in kind  
14 contributions, or funds expended prior to the effective date of this Act. In case of any  
15 dispute as to the amount of the matching fund or what money or assets may qualify  
16 as matching funds, the Board of Public Works shall determine the matter and the  
17 Board's decision is final. The grantee has until June 1, 2007, to present evidence  
18 satisfactory to the Board of Public Works that a matching fund will be provided. If  
19 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
20 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
21 amount of the matching fund shall be expended for the purposes provided in this Act.  
22 Any amount of the loan in excess of the amount of the matching fund certified by the  
23 Board of Public Works shall be canceled and be of no further effect.

24 (6) The proceeds of the loan must be expended or encumbered by the Board of  
25 Public Works for the purposes provided in this Act no later than June 1, 2012. If any  
26 funds authorized by this Act remain unexpended or unencumbered after June 1,  
27 2012, the amount of the unencumbered or unexpended authorization shall be  
28 canceled and be of no further effect. If bonds have been issued for the loan, the  
29 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
30 provided in § 8-129 of the State Finance and Procurement Article.

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

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

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

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

40 (c) The easement must be in form and substance acceptable to the Trust  
41 and any liens or encumbrances against the land or the structures must be acceptable  
42 to the Trust.

1 (8) No portion of the proceeds of the loan or any of the matching funds may be  
2 used for the furtherance of sectarian religious instruction, or in connection with the  
3 design, acquisition, or construction of any building used or to be used as a place of  
4 sectarian religious worship or instruction, or in connection with any program or  
5 department of divinity for any religious denomination. Upon the request of the Board  
6 of Public Works, the grantee shall submit evidence satisfactory to the Board that none  
7 of the proceeds of the loan or any matching funds have been or are being used for a  
8 purpose prohibited by this Act.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 June 1, 2005.