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By: **Senator McFadden (By Request - Baltimore City Administration)**

Introduced and read first time: February 24, 2005

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Revitalization Projects**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$7,500,000,  
4 the proceeds to be used as a grant to the Mayor and City Council of the City of  
5 Baltimore 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; establishing a deadline for the  
8 encumbrance or expenditure of the loan proceeds; 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 - Revitalization Projects Loan of 2005 in a total principal amount equal to the  
15 lesser of (i) \$7,500,000 or (ii) the amount of the matching fund provided in accordance  
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
17 delivery of State general obligation bonds authorized by a resolution of the Board of  
18 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 Mayor and City Council of the City of  
29 Baltimore (referred to hereafter in this Act as "the grantee") for:

1 (a) acquisition, demolition, and site improvements in the West Side  
2 Revitalization Project area, with Fayette, Howard, Lexington, and Liberty Streets in  
3 Baltimore comprising the boundaries of the area;

4 (b) acquisition and demolition of properties in the Greenmount West  
5 neighborhood, with Greenmount Avenue, St. Paul Street, North Avenue, and the  
6 Jones Falls Valley in Baltimore comprising the boundaries of the area;

7 (c) acquisition and demolition of properties in the Poppleton  
8 neighborhood, with Mulberry Street, Baltimore Street, Carey Street, and Martin  
9 Luther King Boulevard in Baltimore comprising the boundaries of the area; and

10 (d) the planning, design, reconstruction, renovation, and capital  
11 equipping of the Historic Sphinx Club and its ancillary buildings, located in  
12 Baltimore.

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

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

32 (6) The proceeds of the loan must be expended or encumbered by the Board of  
33 Public Works for the purposes provided in this Act no later than June 1, 2012. If any  
34 funds authorized by this Act remain unexpended or unencumbered after June 1,  
35 2012, the amount of the unencumbered or unexpended authorization shall be  
36 canceled and be of no further effect. If bonds have been issued for the loan, the  
37 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
38 provided in § 8-129 of the State Finance and Procurement Article.

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