
By: **Senator McFadden**

Introduced and read first time: February 27, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Historic East Baltimore**
3 **Community Action Coalition**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$600,000,
5 the proceeds to be used as a grant to the Board of Directors of the Historic East
6 Baltimore Community Action Coalition, Inc. for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 requiring the grantee to grant and convey a certain easement to the Maryland
10 Historic Trust; establishing a deadline for the encumbrance or expenditure of
11 the loan proceeds; and providing generally for the issuance and sale of bonds
12 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 - Historic East Baltimore Community Action Coalition Loan of 2006 in a total
18 principal amount equal to the lesser of (i) \$600,000 or (ii) the amount of the matching
19 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
20 the issuance, sale, and delivery of State general obligation bonds authorized by a
21 resolution of the Board of Public Works and issued, sold, and delivered in accordance
22 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
23 Article 31, § 22 of the Code.

24 (2) The bonds to evidence this loan or installments of this loan may be sold as
25 a single issue or may be consolidated and sold as part of a single issue of bonds under
26 § 8-122 of the State Finance and Procurement Article.

27 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
28 and first shall be applied to the payment of the expenses of issuing, selling, and
29 delivering the bonds, unless funds for this purpose are otherwise provided, and then
30 shall be credited on the books of the Comptroller and expended, on approval by the
31 Board of Public Works, for the following public purposes, including any applicable
32 architects' and engineers' fees: as a grant to Board of Directors of the Historic East

1 Baltimore Community Action Coalition, Inc. (referred to hereafter in this Act as "the
2 grantee") for the planning, design, construction, repair, renovation, reconstruction,
3 and capital equipping of the commercial and community building, located at 901
4 North Milton Avenue, located in Baltimore City.

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, 2008, 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) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
25 to the Maryland Historical Trust a perpetual preservation easement to the extent of
26 its interest:

27 (i) On the land or such portion of the land acceptable to the Trust;
28 and

29 (ii) On the exterior and interior, where appropriate, of the historic
30 structures.

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

33 (c) The easement must be in form and substance acceptable to the Trust
34 and any liens or encumbrances against the land or the structures must be acceptable
35 to the Trust.

36 (7) The proceeds of the loan must be expended or encumbered by the Board of
37 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
38 funds authorized by this Act remain unexpended or unencumbered after June 1,
39 2013, the amount of the unencumbered or unexpended authorization shall be
40 canceled and be of no further effect. If bonds have been issued for the loan, the
41 amount of unexpended or unencumbered bond proceeds shall be disposed of as
42 provided in § 8-129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2006.