
By: **Senators Jones and Hughes**

Introduced and read first time: March 2, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Lyric Opera House**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$1,000,000, the proceeds to be used as a grant to the Board of Trustees of the
5 Lyric Foundation, Inc. for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to the requirement that
7 the grantee provide and expend a matching fund; requiring the grantee to grant
8 and convey a certain easement to the Maryland Historical Trust; establishing a
9 deadline for the encumbrance or expenditure of the loan proceeds; and providing
10 generally for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore
15 City - Lyric Opera House Loan of 2006 in a total principal amount equal to the lesser
16 of (i) \$1,000,000 or (ii) the amount of the matching fund provided in accordance with
17 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
18 State general obligation bonds authorized by a resolution of the Board of Public
19 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
20 the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Trustees of the Lyric
30 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
31 construction and capital equipping of the stage house area and capital improvements

1 to the back stage rigging system and support areas of the Lyric Opera House, located
2 in Baltimore City.

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, in kind
12 contributions, or funds expended prior to the effective date of this Act. In case of any
13 dispute as to the amount of the matching fund or what money or assets may qualify
14 as matching funds, the Board of Public Works shall determine the matter and the
15 Board's decision is final. The grantee has until June 1, 2008, to present evidence
16 satisfactory to the Board of Public Works that a matching fund will be provided. If
17 satisfactory evidence is presented, the Board shall certify this fact and the amount of
18 the matching fund to the State Treasurer, and the proceeds of the loan shall be
19 expended for the purposes provided in this Act. Any amount of the loan in excess of
20 the amount of the matching fund certified by the Board of Public Works shall be
21 canceled and be of no further effect.

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

25 (i) On the land or such portion of the land acceptable to the Trust;
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic
28 structures.

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

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

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

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