

# SENATE BILL 25

B2  
HB 804/06 – APP

71r1032

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By: **Senator Pugh**  
Introduced and read first time: January 15, 2007  
Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Parks & People Headquarters at**  
3 **Auchentoroly Terrace**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,  
5 the proceeds to be used as a grant to the Board of Directors of Parks & People,  
6 The Foundation for Baltimore Recreation & Parks, Inc. for certain development  
7 or improvement purposes; providing for disbursement of the loan proceeds,  
8 subject 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 Historical 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 – Parks & People Headquarters at Auchentoroly Terrace Loan of 2007 in a total  
18 principal amount equal to the lesser of (i) \$1,500,000 or (ii) the amount of the  
19 matching fund provided in accordance with Section 1(5) below. This loan shall be  
20 evidenced by the issuance, sale, and delivery of State general obligation bonds  
21 authorized by a resolution of the Board of Public Works and issued, sold, and delivered  
22 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement  
23 Article and Article 31, § 22 of the Code.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4           (3)     The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
5 and first shall be applied to the payment of the expenses of issuing, selling, and  
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
7 shall be credited on the books of the Comptroller and expended, on approval by the  
8 Board of Public Works, for the following public purposes, including any applicable  
9 architects' and engineers' fees: as a grant to the Board of Directors of Parks & People,  
10 The Foundation for Baltimore Recreation & Parks, Inc. (referred to hereafter in this  
11 Act as "the grantee") for the planning, design, construction, repair, renovation,  
12 reconstruction, and capital equipping of a 9-acre triangular plot between  
13 Auchentoroly Terrace, Reisterstown Road, and Liberty Heights Boulevard in Druid  
14 Hill Park, including the restoration of the historic Superintendent's House and  
15 construction of a new green building adjoining the Superintendent's House, located in  
16 Baltimore City.

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

21           (5)     Prior to the payment of any funds under the provisions of this Act for the  
22 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
23 matching fund. No part of the grantee's matching fund may be provided, either  
24 directly or indirectly, from funds of the State, whether appropriated or  
25 unappropriated. The fund may consist of real property, in kind contributions, or funds  
26 expended prior to the effective date of this Act. In case of any dispute as to the amount  
27 of the matching fund or what money or assets may qualify as matching funds, the  
28 Board of Public Works shall determine the matter and the Board's decision is final.  
29 The grantee has until June 1, 2009, to present evidence satisfactory to the Board of  
30 Public Works that a matching fund will be provided. If satisfactory evidence is  
31 presented, the Board shall certify this fact and the amount of the matching fund to the  
32 State Treasurer, and the proceeds of the loan equal to the amount of the matching  
33 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
34 in excess of the amount of the matching fund certified by the Board of Public Works  
35 shall be canceled and be of no further effect.

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

1                           (i)     On the land or such portion of the land acceptable to the  
2 Trust; and

3                           (ii)    On the exterior and interior, where appropriate, of the  
4 historic structures.

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

7                           (c)     The easement must be in form and substance acceptable to the  
8 Trust and any liens or encumbrances against the land or the structures must be  
9 acceptable to the Trust.

10                       (7)     The proceeds of the loan must be expended or encumbered by the Board  
11 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
12 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
13 the amount of the unencumbered or unexpended authorization shall be canceled and  
14 be of no further effect. If bonds have been issued for the loan, the amount of  
15 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
16 § 8–129 of the State Finance and Procurement Article.

17                       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 June 1, 2007.