

SENATE BILL 415

B2

71r2028

By: **Senators Jones, Currie, Kasemeyer, Madaleno, Munson, Peters, and Pugh**
Introduced and read first time: February 2, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – The Walters Art Museum**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000,
4 the proceeds to be used as a grant to the Board of Trustees of the Walters Art
5 Gallery 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 – the Walters Art Museum Loan of 2007 in a total principal amount equal to the
15 lesser of (i) \$350,000 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
21 as a single issue or may be consolidated and sold as part of a single issue of bonds
22 under § 8–122 of the State Finance and Procurement Article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Trustees of the Walters Art
7 Gallery (referred to hereafter in this Act as "the grantee") for the acquisition,
8 planning, reconstruction, and capital equipping of a building to be used to further
9 expand the Walters Art Museum and provide additional space for the presentation of
10 major permanent and temporary exhibitions, located in Baltimore City.

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

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

30 (6) The proceeds of the loan must be expended or encumbered by the Board
31 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
32 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
33 the amount of the unencumbered or unexpended authorization shall be canceled and
34 be of no further effect. If bonds have been issued for the loan, the amount of
35 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
36 8-129 of the State Finance and Procurement Article.

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