

SENATE BILL 663

B2

71r2531
CF 71r2387

By: **Senators McFadden and Jones**

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 – Clarence H. “Du” Burns Memorial**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$300,000, the proceeds to be used as a grant to the Board of Directors of the
5 Clarence H. “Du” Burns Memorial Fund, Inc. for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 establishing a deadline for the encumbrance or expenditure of the loan
9 proceeds; and providing generally for the issuance and sale of bonds evidencing
10 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 – Clarence H. “Du” Burns Memorial Loan of 2007 in the total principal amount of
16 \$300,000. This loan shall be evidenced by the issuance, sale, and delivery of State
17 general obligation bonds authorized by a resolution of the Board of Public Works and
18 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
19 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 Directors of the Clarence H.
7 "Du" Burns Memorial Fund, Inc. (referred to hereafter in this Act as "the grantee") for
8 the construction of a statue of Clarence H. "Du" Burns, located in Baltimore City.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
15 matching fund of \$200,000. No part of the grantee's matching fund may be provided,
16 either directly or indirectly, from funds of the State, whether appropriated or
17 unappropriated. No part of the fund may consist of in kind contributions or funds
18 expended prior to the effective date of this Act. The fund may consist of real property.
19 In case of any dispute as to the amount of the matching fund or what money or assets
20 may qualify as matching funds, the Board of Public Works shall determine the matter
21 and the Board's decision is final. The grantee has until June 1, 2009, to present
22 evidence satisfactory to the Board of Public Works that a matching fund will be
23 provided. If satisfactory evidence is presented, the Board shall certify this fact to the
24 State Treasurer, and the proceeds of the loan shall be expended for the purposes
25 provided in this Act.

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

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