

SENATE BILL 675

B2
SB 780/06 – B&T

71r0857
CF HB 43

By: **Senator Klausmeier**

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 – Port Discovery**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
4 the proceeds to be used as a grant to the Board of Directors of the Baltimore
5 Children's Museum, Inc. for certain development or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that
7 the grantee 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 – Port Discovery Loan of 2007 in a total principal amount equal to the lesser of (i)
15 \$500,000 or (ii) the amount of the matching fund provided in accordance with Section
16 1(5) below. 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 Baltimore
7 Children's Museum, Inc. (referred to hereafter in this Act as "the grantee") for the
8 planning, design, construction, renovation, and capital equipping of the current
9 location of Port Discovery, located in Baltimore City, to include replacing windows,
10 replacing the roof, and reconfiguring the stairways and doorways to improve the flow
11 of traffic through the museum.

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

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

31 (6) The proceeds of the loan must be expended or encumbered by the Board
32 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
33 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
34 the amount of the unencumbered or unexpended authorization shall be canceled and
35 be of no further effect. If bonds have been issued for the loan, the amount of
36 unexpended or unencumbered bond proceeds shall be disposed of as provided in
37 § 8–129 of the State Finance and Procurement Article.

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