

# SENATE BILL 432

B2

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CF HB 194

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By: **Senator Jones**

Introduced and read first time: January 31, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Garrett-Jacobs Mansion**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,  
4 the proceeds to be used as a grant to the Board of Trustees of the  
5 Garrett-Jacobs Mansion Endowment 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 requiring the grantee to grant and convey a certain easement to the Maryland  
9 Historical Trust; establishing a deadline for the encumbrance or expenditure of  
10 the loan proceeds; and providing generally for the issuance and sale of bonds  
11 evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Baltimore  
16 City - Garrett-Jacobs Mansion Loan of 2008 in a total principal amount equal to the  
17 lesser of (i) \$1,000,000 or (ii) the amount of the matching fund provided in accordance  
18 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
19 delivery of State general obligation bonds authorized by a resolution of the Board of  
20 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
21 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
26 and first shall be applied to the payment of the expenses of issuing, selling, and  
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 shall be credited on the books of the Comptroller and expended, on approval by the  
2 Board of Public Works, for the following public purposes, including any applicable  
3 architects' and engineers' fees: as a grant to the Board of Trustees of the  
4 Garrett–Jacobs Mansion Endowment Fund, Inc. (referred to hereafter in this Act as  
5 “the grantee”) for the construction and capital equipping of the Garrett–Jacobs  
6 Mansion, located in Baltimore City.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund. No part of the grantee’s matching fund may be provided, either  
14 directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. The fund may consist of real property, in kind contributions, or funds  
16 expended prior to the effective date of this Act. In case of any dispute as to the amount  
17 of the matching fund or what money or assets may qualify as matching funds, the  
18 Board of Public Works shall determine the matter and the Board’s decision is final.  
19 The grantee has until June 1, 2010, to present evidence satisfactory to the Board of  
20 Public Works that a matching fund will be provided. If satisfactory evidence is  
21 presented, the Board shall certify this fact and the amount of the matching fund to the  
22 State Treasurer, and the proceeds of the loan equal to the amount of the matching  
23 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
24 in excess of the amount of the matching fund certified by the Board of Public Works  
25 shall be canceled and be of no further effect.

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

29 (i) On the land or such portion of the land acceptable to the  
30 Trust; and

31 (ii) On the exterior and interior, where appropriate, of the  
32 historic structures.

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

35 (c) The easement must be in form and substance acceptable to the  
36 Trust and any liens or encumbrances against the land or the structures must be  
37 acceptable to the Trust.

38 (7) The proceeds of the loan must be expended or encumbered by the Board  
39 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any  
40 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,

1 the amount of the unencumbered or unexpended authorization shall be canceled and  
2 be of no further effect. If bonds have been issued for the loan, the amount of  
3 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
4 § 8-129 of the State Finance and Procurement Article.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 June 1, 2008.