

# SENATE BILL 387

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CF 9lr2582

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By: Senator McFadden

Introduced and read first time: February 2, 2009

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1   AN ACT concerning

2   **Creation of a State Debt – Baltimore City – Dayspring Square**

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 Dayspring  
5   Programs, Inc. 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; requiring the grantee to grant and convey  
8   a certain easement to the Maryland Historical Trust; establishing a deadline for  
9   the encumbrance or expenditure of the loan proceeds; and providing generally  
10   for the issuance and sale of bonds evidencing 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 – Dayspring Square Loan of 2009 in a total principal amount equal to the lesser  
16   of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance with  
17   Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
18   State general obligation bonds authorized by a resolution of the Board of Public Works  
19   and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
20   Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable  
2 architects' and engineers' fees: as a grant to the Board of Directors of Dayspring  
3 Programs, Inc. (referred to hereafter in this Act as "the grantee") for the construction  
4 and renovation of Dayspring Square, located in Baltimore City.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the  
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
11 matching fund. No part of the grantee's matching fund may be provided, either  
12 directly or indirectly, from funds of the State, whether appropriated or  
13 unappropriated. No part of the fund may consist of in kind contributions. The fund  
14 may consist of real property or funds expended prior to the effective date of this Act. In  
15 case of any dispute as to the amount of the matching fund or what money or assets  
16 may qualify as matching funds, the Board of Public Works shall determine the matter  
17 and the Board's decision is final. The grantee has until June 1, 2011, to present  
18 evidence satisfactory to the Board of Public Works that a matching fund will be  
19 provided. If satisfactory evidence is presented, the Board shall certify this fact and the  
20 amount of the matching fund to the State Treasurer, and the proceeds of the loan  
21 equal to the amount of the matching fund shall be expended for the purposes provided  
22 in this Act. Any amount of the loan in excess of the amount of the matching fund  
23 certified by the Board of Public Works shall be canceled and be of no further effect.

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

27 (i) On the land or such portion of the land acceptable to the  
28 Trust; and

29 (ii) On the exterior and interior, where appropriate, of the  
30 historic structures.

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

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

36 (7) The proceeds of the loan must be expended or encumbered by the Board  
37 of Public Works for the purposes provided in this Act no later than June 1, 2016. If any  
38 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,  
39 the amount of the unencumbered or unexpended authorization shall be canceled and  
40 be of no further effect. If bonds have been issued for the loan, the amount of

1 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
2 § 8–129 of the State Finance and Procurement Article.

3 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect  
4 June 1, 2009.