

# SENATE BILL 574

B2

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By: **Senator Jones–Rodwell**

Introduced and read first time: January 30, 2014

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 \$300,000,  
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 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 – Garrett–Jacobs Mansion Loan of 2014 in a total principal amount equal to the  
16 lesser of (i) \$300,000 or (ii) the amount of the matching fund provided in accordance  
17 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
18 delivery of State general obligation bonds authorized by a resolution of the Board of  
19 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
20 8–124 and 8–131.2 of the State Finance and Procurement Article.

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 Trustees of the  
3 Garrett–Jacobs Mansion Endowment Fund, Inc. (referred to hereafter in this Act as  
4 “the grantee”) for the acquisition, planning, design, construction, repair, renovation,  
5 reconstruction, and capital equipping of the Garrett–Jacobs Mansion, located in  
6 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. No part of the fund may consist of real property. The fund may  
16 consist of in kind contributions or funds expended prior to the effective date of this  
17 Act. In case of any dispute as to the amount of the matching fund or what money or  
18 assets may qualify as matching funds, the Board of Public Works shall determine the  
19 matter and the Board’s decision is final. The grantee has until June 1, 2016, to present  
20 evidence satisfactory to the Board of Public Works that a matching fund will be  
21 provided. If satisfactory evidence is presented, the Board shall certify this fact and the  
22 amount of the matching fund to the State Treasurer, and the proceeds of the loan  
23 equal to the amount of the matching fund shall be expended for the purposes provided  
24 in this Act. Any amount of the loan in excess of the amount of the matching fund  
25 certified by the Board of Public Works shall be canceled and be of no further effect.

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, 2021. If any  
28 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,  
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, 2014.