

SENATE BILL 824

B2

8lr3528

By: **Senator Conway**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Baltimore Arts Realty Corporation**
3 **Building Renovation**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000, the
5 proceeds to be used as a grant to the Board of Directors of the Baltimore Arts Realty
6 Corporation for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee provide
8 and expend a matching fund; establishing a deadline for the encumbrance or
9 expenditure of the loan proceeds; and providing generally for the issuance and sale
10 of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
12 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 City –
15 Baltimore Arts Realty Corporation Building Renovation Loan of 2018 in a total principal
16 amount equal to the lesser of (i) \$250,000 or (ii) the amount of the matching fund provided
17 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and 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 8–124
20 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 as a
22 single issue or may be consolidated and sold as part of a single issue of bonds under §
23 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 and
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
27 the books of the Comptroller and expended, on approval by the Board of Public Works, for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the following public purposes, including any applicable architects' and engineers' fees: as a
2 grant to the Board of Directors of the Baltimore Arts Realty Corporation (referred to
3 hereafter in this Act as "the grantee") for the acquisition, planning, design, construction,
4 repair, renovation, reconstruction, site improvement, and capital equipping of a building
5 for the Baltimore Arts Realty Corporation, located in Baltimore City.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
12 fund. No part of the grantee's matching fund may be provided, either directly or indirectly,
13 from funds of the State, whether appropriated or unappropriated. The fund may consist of
14 real property, in kind contributions, or funds expended prior to the effective date of this
15 Act. In 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 and
17 the Board's decision is final. The grantee has until June 1, 2020, to present evidence
18 satisfactory to the Board of Public Works that a matching fund will be provided. If
19 satisfactory evidence is presented, the Board shall certify this fact and the amount of the
20 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of
21 the matching fund shall be expended for the purposes provided in this Act. Any amount of
22 the loan in excess of the amount of the matching fund certified by the Board of Public Works
23 shall be canceled and be of no further effect.

24 (6) The proceeds of the loan must be expended or encumbered by the Board of
25 Public Works for the purposes provided in this Act no later than June 1, 2025. If any funds
26 authorized by this Act remain unexpended or unencumbered after June 1, 2025, the
27 amount of the unencumbered or unexpended authorization shall be canceled and be of no
28 further effect. If bonds have been issued for the loan, the amount of unexpended or
29 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
30 Finance and Procurement Article.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
32 1, 2018.