

# SENATE BILL 1019

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By: **Senator McFadden**

Introduced and read first time: February 13, 2014

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – East Baltimore Historical Library**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of  
4 \$250,000, the proceeds to be used as a grant to the Board of Directors of the  
5 East Baltimore Community School, 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 – East Baltimore Historical Library Loan of 2014 in the total principal amount of  
16 \$250,000. 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 and 8–131.2 of  
19 the State Finance and Procurement Article.

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.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 architects' and engineers' fees: as a grant to the Board of Directors of the East  
2 Baltimore Community School, Inc. (referred to hereafter in this Act as "the grantee")  
3 for the acquisition, planning, design, construction, repair, renovation, reconstruction,  
4 and capital equipping of the East Baltimore Historical Library, located in Baltimore  
5 City.

6 (4) An annual State tax is imposed on all assessable property in the State in  
7 rate and amount sufficient to pay the principal of and interest on the bonds, as and  
8 when due and until paid in full. The principal shall be discharged within 15 years  
9 after the date of 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  
12 matching fund of \$25,000. No part of the grantee's matching fund may be provided,  
13 either directly or indirectly, from funds of the State, whether appropriated or  
14 unappropriated. No part of the fund may consist of real property or funds expended  
15 prior to the effective date of this Act. The fund may consist of in kind contributions.  
16 In case of any dispute as to the amount of the matching fund or what money or assets  
17 may qualify as matching funds, the Board of Public Works shall determine the matter  
18 and the Board's decision is final. The grantee has until June 1, 2016, to present  
19 evidence satisfactory to the Board of Public Works that a matching fund will be  
20 provided. If satisfactory evidence is presented, the Board shall certify this fact to the  
21 State Treasurer, and the proceeds of the loan shall be expended for the purposes  
22 provided in this Act.

23 (6) The proceeds of the loan must be expended or encumbered by the Board  
24 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any  
25 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,  
26 the amount of the unencumbered or unexpended authorization shall be canceled and  
27 be of no further effect. If bonds have been issued for the loan, the amount of  
28 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
29 § 8–129 of the State Finance and Procurement Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 June 1, 2014.