

SENATE BILL 325

B2

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By: **Senators Miller, Pugh, McFadden, and Currie**
Introduced and read first time: January 28, 2008
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Lyric Opera House**

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 Lyric
5 Foundation, Inc. for certain development or improvement purposes; providing
6 for disbursement of the loan proceeds, subject to the requirement that the
7 grantee provide and expend a matching fund; requiring the grantee to grant
8 and convey a certain easement to the Maryland Historical Trust; establishing a
9 deadline for the encumbrance or expenditure of the loan proceeds; and providing
10 generally 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 - Lyric Opera House Loan of 2008 in a total principal amount equal to the lesser
16 of (i) \$300,000 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

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 Lyric
3 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
4 construction, renovation, and capital equipping of the stage house area and capital
5 improvements to the back stage areas of the Lyric Opera House, located in Baltimore
6 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, in kind
16 contributions, or funds expended prior to the effective date of this Act. In case of any
17 dispute as to the amount of the matching fund or what money or assets may qualify as
18 matching funds, the Board of Public Works shall determine the matter and the
19 Board's decision is final. The grantee has until June 1, 2010, to present evidence
20 satisfactory to the Board of Public Works that a matching fund will be provided. If
21 satisfactory evidence is presented, the Board shall certify this fact and the amount of
22 the matching fund to the State Treasurer, and the proceeds of the loan shall be
23 expended for the purposes provided in this Act. Any amount of the loan in excess of the
24 amount of the matching fund certified by the Board of Public Works shall be canceled
25 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 or any of the matching funds must be expended
39 or encumbered by the Board of Public Works for the purposes provided in this Act no
40 later than June 1, 2015. If any funds authorized by this Act remain unexpended or

1 unencumbered after June 1, 2015, the amount of the unencumbered or unexpended
2 authorization shall be canceled and be of no further effect. If bonds have been issued
3 for the loan, the amount of unexpended or unencumbered bond proceeds shall be
4 disposed of as provided in § 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.