

# SENATE BILL 863

B2  
SB 172/07 – B&T

8lr3296

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By: **Senator McFadden**

Introduced and read first time: February 13, 2008

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Maryland State Boychoir Facility**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,  
4 the proceeds to be used as a grant to the Board of Directors of The Maryland  
5 State Boychoir, Inc. for certain development or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that  
7 the grantee provide and expend a matching fund; requiring the grantee to grant  
8 and convey a certain easement to the Maryland Historical Trust; prohibiting the  
9 use of the loan proceeds or matching fund for sectarian religious purposes;  
10 establishing a deadline for the encumbrance or expenditure of the loan  
11 proceeds; and providing generally for the issuance and sale of bonds evidencing  
12 the loan.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That:

15 (1) The Board of Public Works may borrow money and incur indebtedness on  
16 behalf of the State of Maryland through a State loan to be known as the Baltimore  
17 City – Maryland State Boychoir Facility Loan of 2008 in a total principal amount  
18 equal to the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided in  
19 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
20 and delivery of State general obligation bonds authorized by a resolution of the Board  
21 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
22 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Board of Directors of The Maryland  
5 State Boychoir, Inc. (referred to hereafter in this Act as "the grantee") for the  
6 acquisition, planning, design, construction, repair, renovation, and capital equipping  
7 of The Maryland State Boychoir musical education and modern arts facility, located in  
8 Baltimore City.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the  
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
15 matching fund. No part of the grantee's matching fund may be provided, either  
16 directly or indirectly, from funds of the State, whether appropriated or  
17 unappropriated. No part of the fund may consist of real property, in kind  
18 contributions, or funds expended prior to the effective date of this Act. In case of any  
19 dispute as to the amount of the matching fund or what money or assets may qualify as  
20 matching funds, the Board of Public Works shall determine the matter and the  
21 Board's decision is final. The grantee has until June 1, 2010, to present evidence  
22 satisfactory to the Board of Public Works that a matching fund will be provided. If  
23 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
24 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
25 amount of the matching fund shall be expended for the purposes provided in this Act.  
26 Any amount of the loan in excess of the amount of the matching fund certified by the  
27 Board of Public Works shall be canceled and be of no further effect.

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

31 (i) On the land or such portion of the land acceptable to the  
32 Trust; and

33 (ii) On the exterior and interior, where appropriate, of the  
34 historic structures.

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

37 (c) The easement must be in form and substance acceptable to the  
38 Trust and any liens or encumbrances against the land or the structures must be  
39 acceptable to the Trust.

1           (7) No portion of the proceeds of the loan or any of the matching funds may  
2 be used for the furtherance of sectarian religious instruction, or in connection with the  
3 design, acquisition, or construction of any building used or to be used as a place of  
4 sectarian religious worship or instruction, or in connection with any program or  
5 department of divinity for any religious denomination. Upon the request of the Board  
6 of Public Works, the grantee shall submit evidence satisfactory to the Board that none  
7 of the proceeds of the loan of any matching funds have been or are being used for a  
8 purpose prohibited by this Act.

9           (8) The proceeds of the loan must be expended or encumbered by the Board  
10 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any  
11 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,  
12 the amount of the unencumbered or unexpended authorization shall be canceled and  
13 be of no further effect. If bonds have been issued for the loan, the amount of  
14 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
15 8-129 of the State Finance and Procurement Article.

16           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 June 1, 2008.