

SENATE BILL 371

B2

2lr1982
CF HB 305

By: **Senator Jones–Rodwell**

Introduced and read first time: January 30, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Baltimore City – Arch Social Club Historic Site**
3 **Restoration**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$118,000,
5 the proceeds to be used as a grant to the Board of Trustees of the Arch Social
6 Club, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; requiring the grantee to grant and convey
9 a certain easement to the Maryland Historical Trust; establishing a deadline for
10 the encumbrance or expenditure of the loan proceeds; and providing generally
11 for the issuance and sale of bonds evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Baltimore
16 City – Arch Social Club Historic Site Restoration Loan of 2012 in a total principal
17 amount equal to the lesser of (i) \$118,000 or (ii) the amount of the matching fund
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
19 issuance, sale, and delivery of State general obligation bonds authorized by a
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance
21 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and
22 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

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 Trustees of the Arch Social
5 Club, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,
6 construction, repair, renovation, and reconstruction of the Arch Social Club Historic
7 Site, located in Baltimore.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
14 matching fund. No part of the grantee's matching fund may be provided, either
15 directly or indirectly, from funds of the State, whether appropriated or
16 unappropriated. No part of the fund may consist of real property, in kind
17 contributions, or funds expended prior to the effective date of this Act. In case of any
18 dispute as to the amount of the matching fund or what money or assets may qualify as
19 matching funds, the Board of Public Works shall determine the matter and the
20 Board's decision is final. The grantee has until June 1, 2014, to present evidence
21 satisfactory to the Board of Public Works that a matching fund will be provided. If
22 satisfactory evidence is presented, the Board shall certify this fact and the amount of
23 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
24 amount of the matching fund shall be expended for the purposes provided in this Act.
25 Any amount of the loan in excess of the amount of the matching fund certified by the
26 Board of Public Works shall be canceled and be of no further effect.

27 (6) (a) Prior to the issuance of the bonds, unless the Maryland Historical
28 Trust determines that the property to be assisted by the grant is not significant, is
29 significant only as a contributing property to a historic district listed in the Maryland
30 register of historic properties, is a type that is already adequately represented among
31 the Trust's existing easement properties, or is already subject to a perpetual historic
32 preservation easement acceptable to the Trust, the grantee shall grant and convey to
33 the Maryland Historical Trust a perpetual preservation easement to the extent of its
34 interest:

35 (i) On the land or such portion of the land acceptable to the
36 Trust; and

37 (ii) On the exterior and interior, where appropriate, of the
38 historic structures.

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

1 (c) The easement must be in form and substance acceptable to the
2 Trust, and the extent of the interest to be encumbered must be acceptable to the Trust,
3 and any liens or encumbrances against the land or the structures must be acceptable
4 to the Trust.

5 (7) The proceeds of the loan must be expended or encumbered by the Board
6 of Public Works for the purposes provided in this Act no later than June 1, 2019. If any
7 funds authorized by this Act remain unexpended or unencumbered after June 1, 2019,
8 the amount of the unencumbered or unexpended authorization shall be canceled and
9 be of no further effect. If bonds have been issued for the loan, the amount of
10 unexpended or unencumbered bond proceeds shall be disposed of as provided in
11 § 8–129 of the State Finance and Procurement Article.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2012.