
By: **Senators Garagiola and Hogan**

Introduced and read first time: February 3, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Seneca Schoolhouse**
3 **Museum**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000,
5 the proceeds to be used as a grant to the Board of Directors of Historic Medley
6 District, 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 Montgomery
16 County - Seneca Schoolhouse Museum Loan of 2005 in a total principal amount equal
17 to the lesser of (i) \$100,000 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
21 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
28 shall be credited on the books of the Comptroller and expended, on approval by the
29 Board of Public Works, for the following public purposes, including any applicable
30 architects' and engineers' fees: as a grant to the Board of Directors of Historic Medley
31 District, Inc. (referred to hereafter in this Act as "the grantee") for the design, repair,

1 renovation, addition of handicap access, and historic preservation of the Seneca
2 Schoolhouse Museum, located in Montgomery County.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
9 matching fund. No part of the grantee's matching fund may be provided, either
10 directly or indirectly, from funds of the State, whether appropriated or
11 unappropriated. No part of the fund may consist of real property. The grantee's
12 matching fund may consist of in kind contributions or funds expended prior to the
13 effective date of this Act. In case of any dispute as to the amount of the matching fund
14 or what money or assets may qualify as matching funds, the Board of Public Works
15 shall determine the matter and the Board's decision is final. The grantee has until
16 June 1, 2007, to present evidence satisfactory to the Board of Public Works that a
17 matching fund will be provided. If satisfactory evidence is presented, the Board shall
18 certify this fact and the amount of the matching fund to the State Treasurer, and the
19 proceeds of the loan equal to the amount of the matching fund shall be expended for
20 the purposes provided in this Act. Any amount of the loan in excess of the amount of
21 the matching fund certified by the Board of Public Works shall be canceled and be of
22 no further effect.

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

26 (i) On the land or such portion of the land acceptable to the Trust;
27 and

28 (ii) On the exterior and interior, where appropriate, of the historic
29 structures.

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

32 (c) The easement must be in form and substance acceptable to the Trust
33 and any liens or encumbrances against the land or the structures must be acceptable
34 to the Trust.

35 (7) The proceeds of the loan must be expended or encumbered by the Board of
36 Public Works for the purposes provided in this Act no later than June 1, 2012. If any
37 funds authorized by this Act remain unexpended or unencumbered after June 1,
38 2012, the amount of the unencumbered or unexpended authorization shall be
39 canceled and be of no further effect. If bonds have been issued for the loan, the
40 amount of unexpended or unencumbered bond proceeds shall be disposed of as
41 provided in § 8-129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2005.