

SENATE BILL 801

B2

8lr3033
CF HB 268

By: **Senator Pipkin**

Introduced and read first time: February 6, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Kent County – Prince Theatre**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$450,000, the proceeds to be used as a grant to the Board of Directors of the
5 Prince Theatre Foundation, Inc. for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a
7 requirement that the grantee provide and expend a matching fund; requiring
8 the grantee to grant and convey a certain easement to the Maryland Historical
9 Trust; establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing
11 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 Kent County
16 – Prince Theatre Loan of 2008 in the total principal amount of \$450,000. This loan
17 shall be evidenced by the issuance, sale, and delivery of State general obligation bonds
18 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
19 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement
20 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 Board of Directors of the Prince Theatre
3 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for acquisition,
4 planning, construction, repair, renovation, and capital equipping of the Prince
5 Theatre, located in Chestertown.

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 \$245,000. 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. The fund may consist of real property, in kind contributions, or funds
15 expended prior to the effective date of this Act. In case of any dispute as to the amount
16 of the matching fund or what money or assets may qualify as matching funds, the
17 Board of Public Works shall determine the matter and the Board's decision is final.
18 The grantee has until June 1, 2010, to present evidence satisfactory to the Board of
19 Public Works that a matching fund will be provided. If satisfactory evidence is
20 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
21 the loan shall be expended for the purposes provided in this Act.

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

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

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

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

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

34 (7) The proceeds of the loan must be expended or encumbered by the Board
35 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
36 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
37 the amount of the unencumbered or unexpended authorization shall be canceled and
38 be of no further effect. If bonds have been issued for the loan, the amount of
39 unexpended or unencumbered bond proceeds shall be disposed of as provided in
40 § 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, 2008.