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**By: Frederick County Delegation**

Introduced and read first time: February 2, 1996

Assigned to: Appropriations

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Committee Report: Favorable

House action: Adopted

Read second time: March 26, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

**2 Creation of a State Debt - Frederick County - Lamar Sanitarium - Historic Museum**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000, the  
4 proceeds to be used as a grant to the Board of Directors of the Central Maryland  
5 Heritage League, Inc. for certain acquisition, development, or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a requirement  
7 that the grantee provide and expend a matching fund; requiring a historic easement;  
8 and providing generally for the issuance and sale of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on  
12 behalf of the State of Maryland through a State loan to be known as the Frederick County  
13 - Lamar Sanitarium - Historic Museum Loan of 1996 in a total principal amount equal to  
14 the lesser of (i) \$100,000 or (ii) the amount of the matching fund provided in accordance  
15 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
16 State general obligation bonds authorized by a resolution of the Board of Public Works  
17 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
18 Finance and Procurement Article and Article 31, § 22 of the Code.

19 (2) The bonds to evidence this loan or installments of this loan maybe sold as a  
20 single issue or may be consolidated and sold as part of a single issue of bonds under §  
21 8-122 of the State Finance and Procurement Article.

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
23 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
24 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
25 the books of the Comptroller and expended, on approval by the Board of Public Works,  
26 for the following public purposes, including any applicable architects' and engineers' fees:

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1 as a grant to the Board of Directors of the Central Maryland Heritage League, Inc.  
2 (referred to hereafter in this Act as "the grantee") for the acquisition, repair, and  
3 renovation of a historic building known as Dr. Lamar's Sanitarium, a facility formerly  
4 used for the medical and surgical treatment of patients, which facility is located in  
5 Frederick County and has been designated as a historic landmark, the facility to be used  
6 as a historical museum with associated offices.

7 (4) An annual State tax is imposed on all assessable property in the State in rate  
8 and amount sufficient to pay the principal of and interest on the bonds, as and when due  
9 and until paid in full. The principal shall be discharged within 15 years after the date of  
10 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 matching  
13 fund. No part of the grantee's matching fund may be provided, either directly or  
14 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
15 the fund may consist of real property, in kind contributions, or funds expended prior to  
16 the effective date of this Act. In case of any dispute as to the amount of the matching  
17 fund or what money or assets may qualify as matching funds, the Board of Public Works  
18 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
19 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
20 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
21 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
22 equal to the amount of the matching fund shall be expended for the purposes provided in  
23 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
24 by the Board of Public Works shall be canceled and be of no further effect.

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

28 (i) On the land or such portion of the land acceptable to the Trust;  
29 and

30 (ii) On the exterior and interior, where appropriate, of the historic  
31 structures.

32 (b) The easement must be in form and substance acceptable to the Trust  
33 and the extent of the interest to be encumbered must be acceptable to the Trust.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 June 1, 1996.

