
By: Anne Arundel County Senators

Introduced and read first time: January 19, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1996

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Maryland Hall for the Creative Arts,**
3 **Inc.**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000, the
5 proceeds to be used as a grant to the Board of Directors of the Maryland Hall for
6 the Creative Arts, Inc. for certain acquisition, development, or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a requirement
8 that the grantee provide and expend a matching fund; requiring the grantee to grant
9 and convey a certain easement to the Maryland Historical Trust; and providing
10 generally for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Maryland Hall
15 for the Creative Arts, Inc. Loan of 1996 in a total principal amount equal to the lesser of
16 (i) \$250,000; or (ii) the amount of the matching fund provided in accordance with Section
17 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
18 general obligation bonds authorized by a resolution of the Board of Public Works and
19 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
20 Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
22 single issue or may be consolidated and sold as part of a single issue of bonds under §
23 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 and
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,
2 for the following public purposes, including any applicable architects'and engineers' fees:
3 as a grant to the Board of Directors of the Maryland Hall for the Creative Arts, Inc.
4 (referred to hereafter in this Act as "the grantee") for the repair, renovation,
5 rehabilitation, restoration, and reconstruction of, and for the provision of capital
6 equipment for, the Maryland Hall for the Creative Arts, Inc. located inAnnapolis.

7 (4) An annual State tax is imposed on all assessable property in theState in rate
8 and amount sufficient to pay the principal of and interest on the bondsas 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 andexpend 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. The grantee may use funds received fromthe County
17 Executive and County Council of Anne Arundel County as matching funds. 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 Board's
20 decision is final. The grantee has until June 1, 1998, to present evidence satisfactory to
21 the Board of Public Works that a matching fund will be provided. If satisfactory evidence
22 is presented, the Board shall certify this fact and the amount of the matching fund to the
23 State Treasurer, and the proceeds of the loan equal to the amount of the matching fund
24 shall be expended for the purposes provided in this Act. Any amount of the loan in excess
25 of the amount of the matching fund certified by the Board of Public Works shall be
26 canceled and be of no further effect.

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

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

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

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

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

