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HB 708/96 - APP

1997 Regular Session
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By: Senators McCabe and Forehand

Introduced and read first time: January 27, 1997
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: April 2, 1997

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Brookeville Academy**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$150,000~~
4 \$75,000, the proceeds to be used as a grant to the Commissioners of the Town of
5 Brookeville in Montgomery County for certain acquisition, development, or
6 improvement purposes; providing for disbursement of the loan proceeds, subject to
7 a requirement that the grantee provide and expend a matching fund; requiring the
8 grantee to convey a historic easement to the Maryland Historical Trust; and
9 providing generally for the issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Montgomery
14 County - Brookeville Academy Loan of 1997 in a total principal amount equal to the
15 lesser of (i) ~~\$150,000~~ \$75,000 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board of
18 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124
19 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
26 the books of the Comptroller and expended, on approval by the Board of Public Works,

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1 for the following public purposes, including any applicable architects' and engineers' fees:
2 as a grant to the Commissioners of the Town of Brookeville in Montgomery County
3 (referred to hereafter in this Act as "the grantee") for the planning, design, construction,
4 and reconstruction of, and for the provision of capital equipment for, a community center
5 at the historic Brookeville Academy in Brookeville, and for other related capital
6 improvements.

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, or in kind contributions. The fund may consist of funds~~
17 expended prior to the effective date of this Act. In case of any dispute as to the amount
18 of the matching fund or what money or assets may qualify as matching funds, the Board
19 of Public Works shall determine the matter and the Board's decision is final. The grantee
20 has until June 1, 1999, to present evidence satisfactory to the Board of Public Works that
21 a matching fund will be provided. If satisfactory evidence is presented, the Board shall
22 certify this fact and the amount of the matching fund to the State Treasurer, and the
23 proceeds of the loan equal to the amount of the matching fund shall be expended for the
24 purposes provided in this Act. Any amount of the loan in excess of the amount of the
25 matching fund certified by the Board of Public Works shall be canceled and be of no
26 further effect.

27 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to
28 the Maryland Historical Trust a perpetual preservation easement to the extent of its
29 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
35 and the 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, 1997.

