

HOUSE BILL 1046

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B2

1999 Regular Session
9r1573
CF 9r2278

By: **Frederick County Delegation**
Introduced and read first time: February 18, 1999
Assigned to: Rules and Executive Nominations
Re-referred to: Appropriations, February 22, 1999

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 29, 1999

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Frederick County Chapter, American Red Cross**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$300,000~~
4 \$100,000, the proceeds to be used as a grant to the Frederick County Chapter,
5 American Red Cross for certain acquisition, 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; and providing generally for the issuance and sale of bonds evidencing the
10 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 Frederick
15 County Chapter, American Red Cross Loan of 1999 in a total principal amount equal
16 to the lesser of (i) ~~\$300,000~~ \$100,000 or (ii) the amount of the matching fund provided
17 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,
18 sale, and delivery of State general obligation bonds authorized by a resolution of the
19 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of
21 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Frederick County Chapter, American
7 Red Cross (referred to hereafter in this Act as "the grantee") for the acquisition,
8 design, planning, repair, renovation, reconstruction, and capital equipping of a
9 building to be used by the grantee.

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

14 (5) Prior to the payment of any funds under the provisions of this Act for the
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
16 matching fund. No part of the grantee's matching fund may be provided, either
17 directly or indirectly, from funds of the State, whether appropriated or
18 unappropriated. No part of the fund may consist of in kind contributions. The fund
19 may consist of real property or funds expended prior to the effective date of this Act.
20 In case of any dispute as to the amount of the matching fund or what money or assets
21 may qualify as matching funds, the Board of Public Works shall determine the matter
22 and the Board's decision is final. The grantee has until June 1, 2001, to present
23 evidence satisfactory to the Board of Public Works that a matching fund will be
24 provided. If satisfactory evidence is presented, the Board shall certify this fact and
25 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
26 equal to the amount of the matching fund shall be expended for the purposes provided
27 in this Act. Any amount of the loan in excess of the amount of the matching fund
28 certified by the Board of Public Works shall be canceled and be of no further effect.

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

32 (i) On the land or such portion of the land acceptable to the Trust;
33 and

34 (ii) On the exterior and interior, where appropriate, of the historic
35 structures.

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

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
39 June 1, 1999.

