

SENATE BILL 362

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B2

1999 Regular Session
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By: **Senator Hafer**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 1999

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Allegany County Agricultural Expo and**
3 **Fairgrounds**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$450,000,
5 the proceeds to be used as a grant to the Board of County Commissioners of
6 Allegany County for certain development or improvement purposes; providing
7 for disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; requiring the grantee to grant and convey
9 a certain easement to the Maryland Historical Trust; and providing generally for
10 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 Allegany
15 County Agricultural Expo and Fairgrounds Loan of 1999 in a total principal amount
16 equal to the lesser of (i) \$450,000 or (ii) the amount of the matching fund provided in
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and delivery of State general obligation bonds authorized by a resolution of the Board
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
20 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a 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
25 and first shall be applied to the payment of the expenses of issuing, selling, and

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to the Board of County Commissioners of
5 Allegany County (referred to hereafter in this Act as "the grantee") for the planning,
6 design, construction, and capital equipping of the Allegany County fairgrounds of
7 three connected pavilion buildings that would contain the Allegany County
8 Agricultural Expo offices, exhibition areas, rest rooms, and showers and a separate
9 expo building that would contain a year-round activity area with a catering kitchen
10 and rest rooms that could be used for meetings, conventions, banquets, trade shows,
11 and similar events.

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

16 (5) (a) The grantee shall provide and expend a matching fund.

17 (b) No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. ~~The~~ No part of the fund may consist of real property, in kind
20 contributions, or funds expended prior to the effective date of this Act. In case of any
21 dispute as to the amount of the matching fund or what money or assets may qualify
22 as matching funds, the Board of Public Works shall determine the matter and the
23 Board's decision is final.

24 (c) The grantee shall present evidence to the satisfaction of the Board of
25 Public Works of the provision and expenditure of the matching fund, and the Board of
26 Public Works shall disburse the proceeds of the grant under the provisions of this Act
27 for the purposes set forth in Section 1(3) above, both to be done in installments.

28 (d) As the grantee provides and expends an installment of the matching
29 fund, which shall be equal to at least 25% of the grant amount authorized in Section
30 1(1) above, the Board of Public Works shall disburse an installment of the proceeds of
31 the grant equal to the portion of the matching fund presented at that time by the
32 grantee.

33 (e) This method of presentation of the matching fund in installments and
34 of the disbursement of the proceeds of the loan in installments that are equal to each
35 presentation of the matching fund shall continue until the first to occur of the
36 disbursement of the total amount of the grant or June 1, 2001.

37 (f) The grantee has until June 1, 2001, to present the final evidence
38 satisfactory to the Board of Public Works that the total matching fund will be
39 provided. If satisfactory evidence is presented, the Board shall certify this fact, the
40 amount of the final installment of the matching fund, and the amount of the total
41 matching fund to the State Treasurer, and the final proceeds of the loan equal to the
42 final installment of the matching fund shall be expended for the purposes provided in

1 this Act. After June 1, 2001, any amount of the loan in excess of the amount of the
2 matching fund certified by the Board of Public Works shall be canceled and be of no
3 further effect.

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

7 (i) On the land or such portion of the land acceptable to the Trust;
8 and

9 (ii) On the exterior and interior, where appropriate, of the historic
10 structures.

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

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