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By: **Senator Colburn**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Avalon Theatre Loan of 1990**

3 FOR the purpose of amending Chapter 258 of the Acts of the General Assembly of  
4 1990, the Avalon Theatre Loan of 1990, as amended by Chapter 244 of the Acts  
5 of the General Assembly of 1993, to permit the Board of Trustees of the Avalon  
6 Theatre, Inc. to receive the proceeds of the loan incrementally as matching  
7 funds are provided and expended, and to extend the time by which the new  
8 recipient, the Board of Trustees of the Avalon Theatre, Inc., shall present certain  
9 evidence of a matching fund to the Board of Public Works.

10 BY repealing and reenacting, with amendments,  
11 Chapter 258 of the Acts of the General Assembly of 1990, as amended by  
12 Chapter 244 of the Acts of the General Assembly of 1993  
13 Section 1

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Chapter 258 of the Acts of 1990, as amended by Chapter 244 of the Acts of**  
17 **1993**

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That:

20 (1) The Board of Public Works may borrow money and incur indebtedness on  
21 behalf of the State of Maryland through a State loan to be known as the Avalon  
22 Theatre Loan of 1990 in the total principal amount of \$85,000. This loan shall be  
23 evidenced by the issuance, sale, and delivery of State general obligation bonds  
24 authorized by a resolution of the Board of Public Works and issued, sold, and  
25 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
26 Procurement Article and Article 31, § 22 of the Code.

27 (2) The bonds to evidence this loan or installments of this loan may be sold as  
28 a single issue, or may be consolidated and sold as part of a single issue of bonds under  
29 § 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 Board of Trustees of the Avalon  
7 Theatre, Inc. (REFERRED TO HEREAFTER IN THIS ACT AS "THE GRANTEE") for the  
8 purpose of restoring, renovating, repairing, rehabilitating, reconstructing,  
9 constructing and equipping the historic Avalon Theatre in Easton, located in Talbot  
10 County.

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

15 [(5) Prior to the payment of any funds under the provisions of this Act for the  
16 purposes set forth in Section 1 (3) above, the Board of Trustees of the Avalon Theatre,  
17 Inc. shall provide at least an equal and matching fund of \$85,000. No part of an  
18 applicant's matching fund may be provided, either directly or indirectly, from funds of  
19 the State, whether appropriated or unappropriated. No part of the fund may consist of  
20 real property, in kind contributions, or funds expended prior to the effective date of  
21 this Act. In case of any dispute as to what money or assets may qualify as matching  
22 funds, the Board of Public Works shall determine the matter, and the Board's decision  
23 is final. The Board of Trustees of the Avalon Theatre, Inc. has until June 1, 1995, to  
24 present evidence satisfactory to the Board of Public Works that the matching fund  
25 will be provided. If satisfactory evidence is presented, the Board shall certify this fact  
26 to the State Treasurer and the proceeds of the loan shall be expended for the purposes  
27 provided in this Act. If this evidence is not presented by June 1, 1995, the proceeds of  
28 the loan shall be applied to the purposes authorized in § 8-129 of the State Finance  
29 and Procurement Article.]

30 (5) (A) THE GRANTEE SHALL PROVIDE AND EXPEND A MATCHING FUND.

31 (B) NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,  
32 EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER  
33 APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF REAL  
34 PROPERTY, IN KIND CONTRIBUTIONS, OR FUNDS EXPENDED PRIOR TO THE  
35 EFFECTIVE DATE OF THIS ACT. IN CASE OF ANY DISPUTE AS TO THE AMOUNT OF THE  
36 MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING FUNDS,  
37 THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE BOARD'S  
38 DECISION IS FINAL.

39 (C) THE GRANTEE SHALL PRESENT EVIDENCE TO THE SATISFACTION OF  
40 THE BOARD OF PUBLIC WORKS OF THE PROVISION AND EXPENDITURE OF THE  
41 MATCHING FUND, AND THE BOARD OF PUBLIC WORKS SHALL DISBURSE THE  
42 PROCEEDS OF THE GRANT UNDER THE PROVISIONS OF THIS ACT FOR THE PURPOSES  
43 SET FORTH IN SECTION 1(3) ABOVE, BOTH TO BE DONE IN INSTALLMENTS.

1 (D) AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF  
2 THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN  
3 INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE  
4 MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.

5 (E) THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN  
6 INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN  
7 INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING FUND  
8 SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF THE  
9 TOTAL AMOUNT OF THE GRANT OR JUNE 1, 2001.

10 (F) THE GRANTEE HAS UNTIL JUNE 1, 2001, TO PRESENT THE FINAL  
11 EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC WORKS THAT THE TOTAL  
12 MATCHING FUND WILL BE PROVIDED. IF SATISFACTORY EVIDENCE IS PRESENTED,  
13 THE BOARD SHALL CERTIFY THIS FACT, THE AMOUNT OF THE FINAL INSTALLMENT  
14 OF THE MATCHING FUND, AND THE AMOUNT OF THE TOTAL MATCHING FUND TO  
15 THE STATE TREASURER, AND THE FINAL PROCEEDS OF THE LOAN EQUAL TO THE  
16 FINAL INSTALLMENT OF THE MATCHING FUND SHALL BE EXPENDED FOR THE  
17 PURPOSES PROVIDED IN THIS ACT. AFTER JUNE 1, 2001, ANY AMOUNT OF THE LOAN  
18 IN EXCESS OF THE AMOUNT OF THE MATCHING FUND CERTIFIED BY THE BOARD OF  
19 PUBLIC WORKS SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.

20 (6) The Board of Trustees of the Avalon Theatre, Inc. shall grant and convey a  
21 preservation easement on the exterior and interior of the Avalon Theatre, where  
22 appropriate, and on the land or on the recipient's interest in the land to the Maryland  
23 Historical Trust, in form and substance acceptable to the Trust. If the recipient holds  
24 a fee simple interest in the land and structures, the easement shall be perpetual in  
25 duration.

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