

SENATE BILL 533

Unofficial Copy
B4

1999 Regular Session
9r1601
CF 9r2438

By: **Senator Colburn**
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 ~~Avalon Theatre Loan of 1990~~
3 **Creation of a State Debt - Talbot County - Avalon Theatre**

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

11 FOR the purpose of authorizing the creation of a State Debt not to exceed \$60,000,
12 the proceeds to be used as a grant to the Board of Trustees of the Avalon
13 Foundation, Inc. for certain development or improvement purposes; providing
14 for disbursement of the loan proceeds, subject to a requirement that the grantee
15 provide and expend a matching fund; requiring the grantee to grant and convey
16 a certain easement to the Maryland Historical Trust; and providing generally for
17 the issuance and sale of bonds evidencing the loan.

18 ~~BY repealing and reenacting, with amendments,~~
19 ~~Chapter 258 of the Acts of the General Assembly of 1990, as amended by~~
20 ~~Chapter 244 of the Acts of the General Assembly of 1993~~
21 ~~Section 1~~

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

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

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

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

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

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Trustees of the Avalon Theatre, Inc. (REFERRED TO HEREAFTER IN THIS ACT AS "THE GRANTEE") for the purpose of restoring, renovating, repairing, rehabilitating, reconstructing, constructing and equipping the historic Avalon Theatre in Easton, located in Talbot County.

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

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

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

2 (B) ~~NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,~~
3 ~~EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER~~
4 ~~APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF REAL~~
5 ~~PROPERTY, IN KIND CONTRIBUTIONS, OR FUNDS EXPENDED PRIOR TO THE~~
6 ~~EFFECTIVE DATE OF THIS ACT. IN CASE OF ANY DISPUTE AS TO THE AMOUNT OF THE~~
7 ~~MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING FUNDS,~~
8 ~~THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE BOARD'S~~
9 ~~DECISION IS FINAL.~~

10 (C) ~~THE GRANTEE SHALL PRESENT EVIDENCE TO THE SATISFACTION OF~~
11 ~~THE BOARD OF PUBLIC WORKS OF THE PROVISION AND EXPENDITURE OF THE~~
12 ~~MATCHING FUND, AND THE BOARD OF PUBLIC WORKS SHALL DISBURSE THE~~
13 ~~PROCEEDS OF THE GRANT UNDER THE PROVISIONS OF THIS ACT FOR THE PURPOSES~~
14 ~~SET FORTH IN SECTION 1(3) ABOVE, BOTH TO BE DONE IN INSTALLMENTS.~~

15 (D) ~~AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF~~
16 ~~THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN~~
17 ~~INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE~~
18 ~~MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.~~

19 (E) ~~THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN~~
20 ~~INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN~~
21 ~~INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING FUND~~
22 ~~SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF THE~~
23 ~~TOTAL AMOUNT OF THE GRANT OR JUNE 1, 2001.~~

24 (F) ~~THE GRANTEE HAS UNTIL JUNE 1, 2001, TO PRESENT THE FINAL~~
25 ~~EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC WORKS THAT THE TOTAL~~
26 ~~MATCHING FUND WILL BE PROVIDED. IF SATISFACTORY EVIDENCE IS PRESENTED,~~
27 ~~THE BOARD SHALL CERTIFY THIS FACT, THE AMOUNT OF THE FINAL INSTALLMENT~~
28 ~~OF THE MATCHING FUND, AND THE AMOUNT OF THE TOTAL MATCHING FUND TO~~
29 ~~THE STATE TREASURER, AND THE FINAL PROCEEDS OF THE LOAN EQUAL TO THE~~
30 ~~FINAL INSTALLMENT OF THE MATCHING FUND SHALL BE EXPENDED FOR THE~~
31 ~~PURPOSES PROVIDED IN THIS ACT. AFTER JUNE 1, 2001, ANY AMOUNT OF THE LOAN~~
32 ~~IN EXCESS OF THE AMOUNT OF THE MATCHING FUND CERTIFIED BY THE BOARD OF~~
33 ~~PUBLIC WORKS SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.~~

34 (6) ~~The Board of Trustees of the Avalon Theatre, Inc. shall grant and convey a~~
35 ~~preservation easement on the exterior and interior of the Avalon Theatre, where~~
36 ~~appropriate, and on the land or on the recipient's interest in the land to the Maryland~~
37 ~~Historical Trust, in form and substance acceptable to the Trust. If the recipient holds~~
38 ~~a fee simple interest in the land and structures, the easement shall be perpetual in~~
39 ~~duration.~~

40 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
41 MARYLAND, That:

1 (1) The Board of Public Works may borrow money and incur
2 indebtedness on behalf of the State of Maryland through a State loan to be known as
3 the Talbot County - Avalon Theatre Loan of 1999 in a total principal amount equal to
4 the lesser of (i) \$60,000 or (ii) the amount of the matching fund provided in accordance
5 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
6 delivery of State general obligation bonds authorized by a resolution of the Board of
7 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
8 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

12 (3) The cash proceeds of the sale of the bonds shall be paid to the
13 Treasurer and first shall be applied to the payment of the expenses of issuing, selling,
14 and delivering the bonds, unless funds for this purpose are otherwise provided, and
15 then shall be credited on the books of the Comptroller and expended, on approval by
16 the Board of Public Works, for the following public purposes, including any applicable
17 architects' and engineers' fees: as a grant to the Board of Trustees of the Avalon
18 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the restoration,
19 renovation, repair, rehabilitation, reconstruction, construction and capital equipping
20 of the historic Avalon Theatre facilities in Easton, located in Talbot County.

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

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

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

- 1 (i) On the land or such portion of the land acceptable to the Trust;
- 2 and
- 3 (ii) On the exterior and interior, where appropriate, of the historic
- 4 structures.
- 5 (b) The easement must be in form and substance acceptable to the
- 6 Trust and the extent of the interest to be encumbered must be acceptable to the Trust.

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