

SENATE BILL 642

Unofficial Copy  
B4

1999 Regular Session  
9r2232  
CF 9r1096

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By: **Senators Ferguson and Mooney (Frederick County Senators)**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Frederick County - Lamar Sanitarium - Historic Museum Loan of 1996~~  
3 ~~Creation of a State Debt - Frederick County - Lamar Sanitarium - Historic~~  
4 ~~Museum~~

5 ~~FOR the purpose of amending Chapter 280 of the Acts of the General Assembly of~~  
6 ~~1996, the Frederick County - Lamar Sanitarium - Historic Museum Loan of~~  
7 ~~1996, to extend the time by which the Board of Directors of the Central~~  
8 ~~Maryland Heritage League, Inc. shall present certain evidence of a matching~~  
9 ~~fund to the Board of Public Works.~~

10 ~~FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000,~~  
11 ~~the proceeds to be used as a grant to the Board of Directors of the Central~~  
12 ~~Maryland Heritage League, Inc. for certain development or improvement~~  
13 ~~purposes; providing for disbursement of the loan proceeds, subject to a~~  
14 ~~requirement that the grantee provide and expend a matching fund; requiring~~  
15 ~~the grantee to grant and convey a certain easement to the Maryland Historical~~  
16 ~~Trust; and providing generally for the issuance and sale of bonds evidencing the~~  
17 ~~loan.~~

18 ~~BY repealing and reenacting, with amendments,~~  
19 ~~Chapter 280 of the Acts of the General Assembly of 1996~~  
20 ~~Section 1~~

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

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**Chapter 280 of the Acts of 1996**

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

4 (1) The Board of Public Works may borrow money and incur indebtedness on  
5 behalf of the State of Maryland through a State loan to be known as the Frederick  
6 County - Lamar Sanitarium - Historic Museum Loan of ~~1996~~ 1999 in a total  
7 principal amount equal to the lesser of (i) \$100,000 or (ii) the amount of the matching  
8 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
9 the issuance, sale, and delivery of State general obligation bonds authorized by a  
10 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
11 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
12 Article 31, § 22 of the Code.

13 (2) The bonds to evidence this loan or installments of this loan may be sold as  
14 a single issue or may be consolidated and sold as part of a single issue of bonds under  
15 § 8-122 of the State Finance and Procurement Article.

16 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
17 and first shall be applied to the payment of the expenses of issuing, selling, and  
18 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
19 shall be credited on the books of the Comptroller and expended, on approval by the  
20 Board of Public Works, for the following public purposes, including any applicable  
21 architects' and engineers' fees: as a grant to the Board of Directors of the Central  
22 Maryland Heritage League, Inc. (referred to hereafter in this Act as "the grantee") for  
23 the acquisition, repair, and renovation of a historic building known as Dr. Lamar's  
24 Sanitarium, a facility formerly used for the medical and surgical treatment of  
25 patients, which facility is located in Frederick County and has been designated as a  
26 historic landmark, the facility to be used as a historical museum with associated  
27 offices.

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

32 (5) Prior to the payment of any funds under the provisions of this Act for the  
33 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
34 matching fund. No part of the grantee's matching fund may be provided, either  
35 directly or indirectly, from funds of the State, whether appropriated or  
36 unappropriated. No part of the fund may consist of real property, in kind  
37 contributions, or funds expended prior to the effective date of this Act. In case of any  
38 dispute as to the amount of the matching fund or what money or assets may qualify  
39 as matching funds, the Board of Public Works shall determine the matter and the  
40 Board's decision is final. The grantee has until June 1, [1998,] ~~2000~~ 2001, to present  
41 evidence satisfactory to the Board of Public Works that a matching fund will be  
42 provided. If satisfactory evidence is presented, the Board shall certify this fact and  
43 the amount of the matching fund to the State Treasurer, and the proceeds of the loan

1 equal to the amount of the matching fund shall be expended for the purposes provided  
2 in this Act. Any amount of the loan in excess of the amount of the matching fund  
3 certified by the Board of Public Works shall be canceled and be of no 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  
12 and 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.