

SENATE BILL 659

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B2

1999 Regular Session
9r2279
CF 9r1574

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

Introduced and read first time: February 11, 1999

Assigned to: Rules

Re-referred to: Budget and Taxation, February 16, 1999

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 - Frederick County - Delaplaine Visual Arts Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$75,000~~

4 \$35,000, the proceeds to be used as a grant to the Frederick Arts Center

5 Foundation for certain development or improvement purposes; providing for

6 disbursement of the loan proceeds, subject to a requirement that the grantee

7 provide and expend a matching fund; ~~requiring the grantee to grant and convey~~

8 ~~a certain easement to the Maryland Historical Trust~~; and providing generally for

9 the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Frederick
14 County - Delaplaine Visual Arts Center Loan of 1999 in a total principal amount
15 equal to the lesser of (i) ~~\$75,000~~ \$35,000 or (ii) the amount of the matching fund
16 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
17 issuance, sale, and delivery of State general obligation bonds authorized by a
18 resolution of the Board of Public Works and issued, sold, and delivered in accordance
19 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
20 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.

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 Arts Center Foundation
7 (referred to hereafter in this Act as "the grantee") for the repair, renovation,
8 construction, reconstruction, final site improvements and capital equipping of the
9 Delaplaine Visual Arts Center.

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 real property, in kind
19 contributions, or funds expended prior to the effective date of this Act. In case of any
20 dispute as to the amount of the matching fund or what money or assets may qualify
21 as matching funds, the Board of Public Works shall determine the matter and the
22 Board's decision is final. The grantee has until June 1, 2001, to present evidence
23 satisfactory to the Board of Public Works that a matching fund will be provided. If
24 satisfactory evidence is presented, the Board shall certify this fact and the amount of
25 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
26 amount of the matching fund shall be expended for the purposes provided in this Act.
27 Any amount of the loan in excess of the amount of the matching fund certified by the
28 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.

