

SENATE BILL 468

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2000 Regular Session
0lr0786
CF 0lr2144

By: **Senators Colburn and Baker**
Introduced and read first time: February 4, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2000

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Caroline County - Denton Armory Building**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$156,500~~
4 \$150,000, the proceeds to be used as a grant to the Board of Directors of the
5 Denton Development Corporation for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a
7 requirement that the grantee provide and expend a matching fund; requiring
8 the grantee to grant and convey a certain easement to the Maryland Historical
9 Trust; and providing generally for the issuance and sale of bonds evidencing the
10 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 Caroline
15 County - Denton Armory Building Loan of 2000 in a total principal amount equal to
16 the lesser of (i) ~~\$156,500~~ \$150,000 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 Directors of the Denton
5 Development Corporation (referred to hereafter in this Act as "the grantee") for the
6 repair, renovation, construction, reconstruction, and capital equipping of the Denton
7 Armory Building.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
14 matching fund. No part of the grantee's matching fund may be provided, either
15 directly or indirectly, from funds of the State, whether appropriated or
16 unappropriated. No part of the fund may consist of real property, in kind
17 contributions, or funds expended prior to the effective date of this Act. In case of any
18 dispute as to the amount of the matching fund or what money or assets may qualify
19 as matching funds, the Board of Public Works shall determine the matter and the
20 Board's decision is final. The grantee has until June 1, 2002, to present evidence
21 satisfactory to the Board of Public Works that a matching fund will be provided. If
22 satisfactory evidence is presented, the Board shall certify this fact and the amount of
23 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
24 amount of the matching fund shall be expended for the purposes provided in this Act.
25 Any amount of the loan in excess of the amount of the matching fund certified by the
26 Board of Public Works shall be canceled and be of no further effect.

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

30 (i) On the land or such portion of the land acceptable to the Trust;
31 and

32 (ii) On the exterior and interior, where appropriate, of the historic
33 structures.

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

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 June 1, 2000.

