

SENATE BILL 506

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2000 Regular Session
0lr1568
CF 0lr1629

By: **Senator Ruben**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Alpha Phi Alpha Smithville**
3 **School Museum**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$300,000, the proceeds to be used as a grant to the Board of Directors of Iota
6 Upsilon Lambda, Inc. for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; requiring the grantee to grant
9 and convey a certain easement to the Maryland Historical Trust; and providing
10 generally for the issuance and sale of bonds evidencing the 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 Montgomery
15 County - Alpha Phi Alpha Smithville School Museum Loan of 2000 in the total
16 principal amount of \$300,000. This loan shall be evidenced by the issuance, sale, and
17 delivery of State general obligation bonds authorized by a resolution of the Board of
18 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
19 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as
21 a single issue or may be consolidated and sold as part of a single issue of bonds under
22 § 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the Board of Directors of Iota Upsilon
29 Lambda, Inc. (referred to hereafter in this Act as "the grantee") for the planning,
30 design, construction, reconstruction, repair, renovation, and capital equipping of
31 buildings located at 811 East Randolph Road, Colesville, Maryland, for use as a
32 museum, educational center, and community and meeting center.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund of \$300,000. No part of the grantee's matching fund may be provided,
8 either directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. No part of the fund may consist of real property. The fund may
10 consist of in kind contributions or funds expended prior to the effective date of this
11 Act. In case of any dispute as to the amount of the matching fund or what money or
12 assets may qualify as matching funds, the Board of Public Works shall determine the
13 matter and the Board's decision is final. The grantee has until June 1, 2002, to
14 present evidence satisfactory to the Board of Public Works that a matching fund will
15 be provided. If satisfactory evidence is presented, the Board shall certify this fact to
16 the State Treasurer, and the proceeds of the loan shall be expended for the purposes
17 provided in this Act.

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

21 (i) On the land or such portion of the land acceptable to the Trust;
22 and

23 (ii) On the exterior and interior, where appropriate, of the historic
24 structures.

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

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