

SENATE BILL 31

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B2

2001 Regular Session  
11r0769  
CF 11r0770

(PRE-FILED)

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By: **Senator Astle**  
Requested: November 1, 2000  
Introduced and read first time: January 10, 2001  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Annapolis Maritime**  
3 **Museum**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$750,000,  
5 the proceeds to be used as a grant to the Board of Directors of Annapolis  
6 Maritime Museum, Inc. and the City of Annapolis for certain development or  
7 improvement purposes; providing for disbursement of the loan proceeds, subject  
8 to a requirement that the City of Annapolis provide and expend a matching  
9 fund; 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 Anne Arundel  
15 County - Annapolis Maritime Museum Loan of 2001 in a total principal amount equal  
16 to the lesser of (i) \$750,000 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  
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
27 shall be credited on the books of the Comptroller and expended, on approval by the  
28 Board of Public Works, for the following public purposes, including any applicable  
29 architects' and engineers' fees: as a grant to the Board of Directors of Annapolis  
30 Maritime Museum, Inc. and the City of Annapolis (referred to hereafter in this Act as  
31 "the grantees") for the planning, design, repair, renovation, reconstruction, and

1 capital equipping of two buildings, located adjacent to each other at 723 Second Street  
2 and 133 Bay Shore Drive in Annapolis, for use as a museum that will document,  
3 preserve, and interpret the maritime history of the greater Annapolis area.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the  
9 purposes set forth in Section 1(3) above, the City of Annapolis shall provide and  
10 expend a matching fund. No part of the grantees' matching fund may be provided,  
11 either directly or indirectly, from funds of the State, whether appropriated or  
12 unappropriated. The fund may consist of real property, in kind contributions, or funds  
13 expended prior to the effective date of this Act. In case of any dispute as to the amount  
14 of the matching fund or what money or assets may qualify as matching funds, the  
15 Board of Public Works shall determine the matter and the Board's decision is final.  
16 The grantees have until June 1, 2003, to present evidence satisfactory to the Board of  
17 Public Works that a matching fund will be provided. If satisfactory evidence is  
18 presented, the Board shall certify this fact and the amount of the matching fund to  
19 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
20 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
21 in excess of the amount of the matching fund certified by the Board of Public Works  
22 shall be canceled and be of no further effect.

23 (6) (a) Prior to the issuance of the bonds, the grantees shall grant and  
24 convey to the Maryland Historical Trust a perpetual preservation easement to the  
25 extent of its interest:

26 (i) On the land or such portion of the land acceptable to the Trust;  
27 and

28 (ii) On the exterior and interior, where appropriate, of the historic  
29 structures.

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 June 1, 2001.