

SENATE BILL 558

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2001 Regular Session
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By: **Senator Colburn**
Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2001

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Talbot County - Oxford Community Services**
3 **Building**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$300,000~~
5 \$250,000, the proceeds to be used as a grant to the Board of Commissioners of
6 the Town of Oxford for certain development or improvement purposes; requiring
7 the grantee to grant and convey a certain easement to the Maryland Historical
8 Trust; providing for disbursement of the loan proceeds, subject to a requirement
9 that the grantee provide and expend a matching fund; and providing generally
10 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 Talbot
15 County - Oxford Community Services Building Loan of 2001 in a total principal
16 amount equal to the lesser of (i) ~~\$300,000~~ \$250,000 or (ii) the amount of the matching
17 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
18 the issuance, sale, and delivery of State general obligation bonds authorized by a
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance
20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
21 Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 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 Board of Commissioners of the Town
7 of Oxford (referred to hereafter in this Act as "the grantee") for the planning, design,
8 reconstruction, repair, renovation, and capital equipping of, and construction of an
9 addition to, a building located at 100 North Morris Street in Oxford, Maryland, for the
10 Oxford Community Services Building, which will include a handicap accessible
11 elevator, community meeting room, and public rest rooms.

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

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

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

34 (i) On the land or such portion of the land acceptable to the Trust;
35 and

36 (ii) On the exterior and interior, where appropriate, of the historic
37 structures.

38 (b) If the grantee or beneficiary of the grant holds a lease on the land
39 and structures, the Trust may accept an easement on the leasehold interest.

40 (c) The easement must be in form and substance acceptable to the Trust
41 and any liens or encumbrances against the land or the structures must be acceptable
42 to the Trust.

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