

SENATE BILL 835

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B2

2001 Regular Session  
11r2940  
CF HB 466

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By: **Senator Baker**  
Introduced and read first time: February 16, 2001  
Assigned to: Rules  
Re-referred to: Budget and Taxation, February 22, 2001

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

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Queen Anne's County - Cray House**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000,  
4 the proceeds to be used as a grant to the Board of Directors of The Kent Island  
5 Heritage Society, Inc. for certain development or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that  
7 the grantee provide and expend a matching fund; ~~requiring the grantee to grant~~  
8 ~~and convey a certain easement to the Maryland Historical Trust;~~ and providing  
9 generally for 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 Queen Anne's  
14 County - Cray House Loan of 2001 in a the total principal amount ~~equal to the lesser~~  
15 ~~of (i) \$150,000 or (ii) the amount of the matching fund provided in accordance with~~  
16 ~~Section 1(5) below~~ of \$150,000. 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

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 Kent Island  
 5 Heritage Society, Inc. (referred to hereafter in this Act as "the grantee") for the  
 6 renovation and reconstruction of the historic Cray House on Cockey's Lane in  
 7 Stevensville so that it can be preserved and used for museum and educational  
 8 purposes.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the  
 14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
 15 matching fund of \$50,000. No part of the grantee's matching fund may be provided,  
 16 either directly or indirectly, from funds of the State, whether appropriated or  
 17 unappropriated. The fund may consist of real property, in kind contributions, or funds  
 18 expended prior to the effective date of this Act. In case of any dispute as to the amount  
 19 of the matching fund or what money or assets may qualify as matching funds, the  
 20 Board of Public Works shall determine the matter and the Board's decision is final.  
 21 The grantee has until June 1, 2003, to present evidence satisfactory to the Board of  
 22 Public Works that a matching fund will be provided. If satisfactory evidence is  
 23 presented, the Board shall certify this fact and the amount of the matching fund to  
 24 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
 25 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
 26 in excess of the amount of the matching fund certified by the Board of Public Works  
 27 shall be canceled and be of no further effect.

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

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

33 (ii) ~~On the exterior and interior, where appropriate, of the historic~~  
 34 ~~structures:~~

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

37 (c) ~~The easement must be in form and substance acceptable to the Trust~~  
 38 ~~and any liens or encumbrances against the land or the structures must be acceptable~~  
 39 ~~to the Trust.~~

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

