

SENATE BILL 144

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B2

2002 Regular Session  
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By: **Senator Astle**

Introduced and read first time: January 11, 2002

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 - Maryland Hall for the**  
3                                   **Creative Arts**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Maryland Hall  
6 for the Creative Arts, 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 and the  
9 Board of Education of Anne Arundel County to grant and convey a certain  
10 easement to the Maryland Historical Trust; and providing generally for the  
11 issuance and sale of bonds evidencing the loan.

12       SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14       (1)       The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Anne Arundel  
16 County - Maryland Hall for the Creative Arts Loan of 2002 in a total principal  
17 amount equal to the lesser of (i) \$250,000 or (ii) the amount of the matching fund  
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
19 issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

23       (2)       The bonds to evidence this loan or installments of this loan may be sold as  
24 a single issue or may be consolidated and sold as part of a single issue of bonds under  
25 § 8-122 of the State Finance and Procurement Article.

26       (3)       The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and  
28 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
29 shall be credited on the books of the Comptroller and expended, on approval by the  
30 Board of Public Works, for the following public purposes, including any applicable  
31 architects' and engineers' fees: as a grant to the Board of Directors of the Maryland  
32 Hall for the Creative Arts, Inc. (referred to hereafter in this Act as "the grantee") for

1 the continued renovation and rehabilitation of Maryland Hall for the Creative Arts  
2 located at 801 Chase Street in Annapolis.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the  
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
9 matching fund. No part of the grantee's matching fund may be provided, either  
10 directly or indirectly, from funds of the State, whether appropriated or  
11 unappropriated. No part of the fund may consist of real property, in kind  
12 contributions, or funds expended prior to the effective date of this Act. In case of any  
13 dispute as to the amount of the matching fund or what money or assets may qualify  
14 as matching funds, the Board of Public Works shall determine the matter and the  
15 Board's decision is final. The grantee has until June 1, 2004, to present evidence  
16 satisfactory to the Board of Public Works that a matching fund will be provided. If  
17 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
19 amount of the matching fund shall be expended for the purposes provided in this Act.  
20 Any amount of the loan in excess of the amount of the matching fund certified by the  
21 Board of Public Works shall be canceled and be of no further effect.

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

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

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

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

31 (c) The easement must be in form and substance acceptable to the Trust  
32 and any liens or encumbrances against the land or the structures must be acceptable  
33 to the Trust.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 June 1, 2002.