

SENATE BILL 705

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B2

2002 Regular Session
2lr1220

By: **Senator Colburn**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Talbot County - Oxford Museum**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000,
4 the proceeds to be used as a grant to the Board of Directors of the Oxford
5 Museum, Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; requiring that certain easements be
8 granted to the Maryland Historical Trust; and providing generally for the
9 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 Oxford
14 Museum Loan of 2002 in a total principal amount equal to the lesser of (i) \$200,000 or
15 (ii) the amount of the matching fund provided in accordance with Section 1(5) below.
16 This loan shall be evidenced by the issuance, sale, and delivery of State general
17 obligation bonds authorized by a resolution of the Board of Public Works and issued,
18 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance
19 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 the Oxford
29 Museum, Inc. (referred to hereafter in this Act as "the grantee") for renovation and
30 expansion of the Oxford Museum located at 101 South Morris Street, Oxford,
31 Maryland.

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

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

23 (i) On the land or such portion of the land acceptable to the Trust;
24 and

25 (ii) On the exterior and interior, where appropriate, of the historic
26 structures.

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

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

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