

SENATE BILL 44

Unofficial Copy  
B2  
SB 542/02 - B&T

2003 Regular Session  
3lr0484  
CF 3lr0483

---

By: **Senator Astle**

Introduced and read first time: January 16, 2003

Assigned to: Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Indian King Tavern**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
4 the proceeds to be used as a grant to the Board of Directors of Historic  
5 Annapolis, 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 the grantee to grant and convey  
8 a certain easement to the Maryland Historical Trust; and providing generally for  
9 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 Anne Arundel  
14 County - Indian King Tavern Loan of 2003 in a total principal amount equal to the  
15 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance  
16 with Section 1(5) below. 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  
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 Historic  
29 Annapolis, Inc. (referred to hereafter in this Act as "the grantee") for renovation of the  
30 historic building known as Indian King Tavern, located at 10 Francis Street,  
31 Annapolis, to ensure the structural stability of the building for use as an educational  
32 facility for the public.

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 in kind contributions or funds  
10 expended prior to the effective date of this Act. The fund may consist of real property.  
11 In case of any dispute as to the amount of the matching fund or what money or assets  
12 may qualify as matching funds, the Board of Public Works shall determine the matter  
13 and the Board's decision is final. The grantee has until June 1, 2005, to present  
14 evidence satisfactory to the Board of Public Works that a matching fund will be  
15 provided. If satisfactory evidence is presented, the Board shall certify this fact and  
16 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
17 equal to the amount of the matching fund shall be expended for the purposes provided  
18 in this Act. Any amount of the loan in excess of the amount of the matching fund  
19 certified by the 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 effect  
33 June 1, 2003.