
By: **Senator Dyson**

Introduced and read first time: January 16, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - St. Mary's County - Old Carvers Heights - South**
3 **Hampton Community Village**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,
5 the proceeds to be used as a grant to the Board of Directors of Save the Village,
6 Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; requiring the grantee to grant
10 a certain easement to the Maryland Historical Trust; prohibiting the grant or
11 the matching fund from being used for sectarian religious purposes; and
12 providing generally for the issuance and sale of bonds evidencing the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the St. Mary's
17 County - Old Carvers Heights - South Hampton Community Village Loan of 2004 in
18 a total principal amount equal to the lesser of (i) \$400,000 or (ii) the amount of the
19 matching fund provided in accordance with Section 1(5) below. This loan shall be
20 evidenced by the issuance, sale, and delivery of State general obligation bonds
21 authorized by a resolution of the Board of Public Works and issued, sold, and
22 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
23 Procurement Article and Article 31, § 22 of the Code.

24 (2) The bonds to evidence this loan or installments of this loan may be sold as
25 a single issue or may be consolidated and sold as part of a single issue of bonds under
26 § 8-122 of the State Finance and Procurement Article.

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

1 Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,
2 construction, repair, renovation, reconstruction, and capital equipping of Old Carvers
3 Heights - South Hampton Community Village, a former Navy USO Building, located
4 in Lexington Park.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
11 matching fund. No part of the grantee's matching fund may be provided, either
12 directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. The fund may consist of real property and in kind contributions. No
14 part of the fund may consist of funds expended prior to the effective date of this Act.
15 In case of any dispute as to the amount of the matching fund or what money or assets
16 may qualify as matching funds, the Board of Public Works shall determine the matter
17 and the Board's decision is final. The grantee has until June 1, 2006, to present
18 evidence satisfactory to the Board of Public Works that a matching fund will be
19 provided. If satisfactory evidence is presented, the Board shall certify this fact and
20 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
21 equal to the amount of the matching fund shall be expended for the purposes provided
22 in this Act. Any amount of the loan in excess of the amount of the matching fund
23 certified by the Board of Public Works shall be canceled and be of no further effect.

24 (6) The proceeds of the loan must be expended or encumbered by the Board of
25 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
26 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
27 the amount of the unencumbered or unexpended authorization shall be canceled and
28 be of no further effect. If bonds have been issued for the loan, the amount of
29 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
30 8-129 of the State Finance and Procurement Article.

31 (7) (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 (8) No portion of the proceeds of the loan or any of the matching funds may be
2 used for the furtherance of sectarian religious instruction, or in connection with the
3 design, acquisition, or construction of any building used or to be used as a place of
4 sectarian religious worship or instruction, or in connection with any program or
5 department of divinity for any religious denomination. Upon the request of the Board
6 of Public Works, the grantee shall submit evidence satisfactory to the Board that none
7 of the proceeds of the loan or any matching funds have been or are being used for a
8 purpose prohibited by this Act.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
10 effect June 1, 2004.