

SENATE BILL 103

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B2

2004 Regular Session
4r1356
CF 4r1676

By: **Senators Munson, Hafer, and Mooney**
Introduced and read first time: January 19, 2004
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Washington County - Barbara Ingram School for**
3 **the Arts**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$500,000, the proceeds to be used as a grant to the Mayor and City Council of
6 the City of Hagerstown 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 to grant
9 a certain easement to the Maryland Historical Trust; establishing a deadline for
10 the encumbrance or expenditure of the loan proceeds; and providing generally
11 for the 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 Washington
16 County - Barbara Ingram School for the Arts Loan of 2004 in the total principal
17 amount of \$500,000. This loan shall be evidenced by the issuance, sale, and delivery of
18 State general obligation bonds authorized by a resolution of the Board of Public
19 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
20 the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Mayor and City Council of the City of
30 Hagerstown (referred to hereafter in this Act as "the grantee") for the acquisition,
31 planning, design, renovation, reconstruction, and capital equipping of the Barbara
32 Ingram School for the Arts, located in Hagerstown.

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 of \$270,000. No part of the grantee's matching fund may be provided,
8 either directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. The fund may consist of real property, in kind contributions, or funds
10 expended prior to the effective date of this Act. In case of any dispute as to the amount
11 of the matching fund or what money or assets may qualify as matching funds, the
12 Board of Public Works shall determine the matter and the Board's decision is final.
13 The grantee has until June 1, 2006, to present evidence satisfactory to the Board of
14 Public Works that a matching fund will be provided. If satisfactory evidence is
15 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
16 the loan shall be expended for the purposes provided in this Act.

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

20 (i) On the land or such portion of the land acceptable to the Trust;
21 and

22 (ii) On the exterior and interior, where appropriate, of the historic
23 structures.

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

26 (c) The easement must be in form and substance acceptable to the Trust
27 and any liens or encumbrances against the land or the structures must be acceptable
28 to the Trust.

29 (7) The proceeds of the loan must be expended or encumbered by the Board of
30 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
31 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
32 the amount of the unencumbered or unexpended authorization shall be canceled and
33 be of no further effect. If bonds have been issued for the loan, the amount of
34 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
35 8-129 of the State Finance and Procurement Article.

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