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By: **Senator Britt**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Prince George's County - Historic Bostwick House**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$120,000,  
4 the proceeds to be used as a grant to the Mayor and Town Council of the Town of  
5 Bladensburg 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; establishing a deadline for  
9 the encumbrance or expenditure of the loan proceeds; and providing generally  
10 for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Prince  
15 George's County - Historic Bostwick House Loan of 2006 in the total principal  
16 amount equal to the lesser of (i) \$120,000 or (ii) the amount of the matching fund  
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
18 issuance, sale, and delivery of State general obligation bonds authorized by a  
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
21 Article 31, § 22 of the Code.

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

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

1 House, including grounds stabilization, structural rehabilitation, fire protection  
2 systems and utility improvements, air conditioning, and other improvements to make  
3 the facility compliant with the federal Americans with Disabilities Act, located in  
4 Bladensburg.

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. No part of the fund may consist of real property or funds expended  
14 prior to the effective date of this Act. The fund may consist of in kind contributions. In  
15 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, 2008, 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 to the  
20 State Treasurer, and the proceeds of the loan shall be expended for the purposes  
21 provided in this Act.

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 (7) The proceeds of the loan must be expended or encumbered by the Board of  
35 Public Works for the purposes provided in this Act no later than June 1, 2013. If any  
36 funds authorized by this Act remain unexpended or unencumbered after June 1,  
37 2013, the amount of the unencumbered or unexpended authorization shall be  
38 canceled and be of no further effect. If bonds have been issued for the loan, the  
39 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
40 provided in § 8-129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 2006.