
By: **Senator Pipkin**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Cecil County - Stone House**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$750,000, the proceeds to be used as a grant to the Board of Directors of the
5 Historic Elk Landing Foundation, Inc. for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds; requiring the grantee
7 to grant and convey a certain easement to the Maryland Historical Trust;
8 establishing a deadline for the encumbrance or expenditure of the loan proceeds;
9 and providing generally for 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 Cecil County
14 - Stone House Loan of 2006 in the total principal amount of \$750,000. This loan shall
15 be evidenced by the issuance, sale, and delivery of State general obligation bonds
16 authorized by a resolution of the Board of Public Works and issued, sold, and
17 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
18 Procurement Article and Article 31, § 22 of the Code.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to the Board of Directors of the Historic Elk
28 Landing Foundation, Inc. for the repair, renovation, stabilization, and capital
29 equipping of the historic Stone House, located in Elkton.

30 (4) An annual State tax is imposed on all assessable property in the State in
31 rate and amount sufficient to pay the principal of and interest on the bonds, as and

1 when due and until paid in full. The principal shall be discharged within 15 years
2 after the date of issuance of the bonds.

3 (5) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
4 to the Maryland Historical Trust a perpetual preservation easement to the extent of
5 its interest:

6 (i) On the land or such portion of the land acceptable to the Trust;
7 and

8 (ii) On the exterior and interior, where appropriate, of the historic
9 structures.

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

12 (c) The easement must be in form and substance acceptable to the Trust
13 and any liens or encumbrances against the land or the structures must be acceptable
14 to the Trust.

15 (6) The proceeds of the loan must be expended or encumbered by the Board of
16 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
17 funds authorized by this Act remain unexpended or unencumbered after June 1,
18 2013, the amount of the unencumbered or unexpended authorization shall be
19 canceled and be of no further effect. If bonds have been issued for the loan, the
20 amount of unexpended or unencumbered bond proceeds shall be disposed of as
21 provided in § 8-129 of the State Finance and Procurement Article.

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