

# HOUSE BILL 310

B2

71r2420  
CF 71r0393

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By: **Delegates Feldman, Dumais, and Rice**  
Introduced and read first time: January 31, 2007  
Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Warren Historical Site –**  
3 **Loving Charity Hall**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Heritage  
6 Tourism Alliance of Montgomery County, Inc. for certain development or  
7 improvement purposes; providing for disbursement of the loan proceeds, subject  
8 to a requirement that the grantee provide and expend a matching fund;  
9 requiring the grantee to grant and convey a certain easement to the Maryland  
10 Historical Trust; prohibiting the use of the proceeds of the loan or the matching  
11 fund for sectarian religious purposes; establishing a deadline for the  
12 encumbrance or expenditure of the loan proceeds; and providing generally for  
13 the issuance and sale of bonds evidencing the loan.

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

16 (1) The Board of Public Works may borrow money and incur indebtedness on  
17 behalf of the State of Maryland through a State loan to be known as the Montgomery  
18 County – Warren Historical Site – Loving Charity Hall Loan of 2007 in a total  
19 principal amount equal to the lesser of (i) \$500,000 or (ii) the amount of the matching  
20 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
21 the issuance, sale, and delivery of State general obligation bonds authorized by a  
22 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
23 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and  
24 Article 31, § 22 of the Code.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4           (3)     The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
5 and first shall be applied to the payment of the expenses of issuing, selling, and  
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
7 shall be credited on the books of the Comptroller and expended, on approval by the  
8 Board of Public Works, for the following public purposes, including any applicable  
9 architects' and engineers' fees: as a grant to the Board of Directors of the Heritage  
10 Tourism Alliance of Montgomery County, Inc. (referred to hereafter in this Act as "the  
11 grantee") for the reconstruction, repair, renovation, construction, and capital  
12 equipping of Loving Charity Hall, located in Martinsburg.

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

17           (5)     Prior to the payment of any funds under the provisions of this Act for the  
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
19 matching fund. No part of the grantee's matching fund may be provided,  
20 either directly or indirectly, from funds of the State, whether appropriated or  
21 unappropriated. The fund may consist of real property, in kind contributions, or funds  
22 expended prior to the effective date of this Act. In case of any dispute as to the amount  
23 of the matching fund or what money or assets may qualify as matching funds, the  
24 Board of Public Works shall determine the matter and the Board's decision is final.  
25 The grantee has until June 1, 2009, to present evidence satisfactory to the Board of  
26 Public Works that a matching fund will be provided. If satisfactory evidence is  
27 presented, the Board shall certify this fact and the amount of the matching fund to the  
28 State Treasurer, and the proceeds of the loan equal to the amount of the matching  
29 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
30 in excess of the amount of the matching fund certified by the Board of Public Works  
31 shall be canceled and be of no further effect.

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

35                           (i)     On the land or such portion of the land acceptable to the  
36 Trust; and

1                   (ii) On the exterior and interior, where appropriate, of the  
2 historic structures.

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

5                   (c) The easement must be in form and substance acceptable to the  
6 Trust and any liens or encumbrances against the land or the structures must be  
7 acceptable to the Trust.

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

16                   (8) The proceeds of the loan must be expended or encumbered by the Board  
17 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
18 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
19 the amount of the unencumbered or unexpended authorization shall be canceled and  
20 be of no further effect. If bonds have been issued for the loan, the amount of  
21 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
22 8–129 of the State Finance and Procurement Article.

23                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 June 1, 2007.