

SENATE BILL 448

B2

7lr1151
CF HB 64

By: **Senator Colburn**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Dorchester County – Dorchester County Historical**
3 **Society Museums**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$150,000,
5 the proceeds to be used as a grant to the Board of Trustees of the Dorchester
6 County Historical Society, Inc. for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; establishing
9 a deadline for the encumbrance or expenditure of the loan proceeds; and
10 providing generally 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 Dorchester
15 County – Dorchester County Historical Society Museums Loan of 2007 in a total
16 principal amount equal to the lesser of (i) \$150,000 or (ii) the amount of the matching
17 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
18 the 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.

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 Trustees of the Dorchester
10 County Historical Society, Inc. (referred to hereafter in this Act as "the grantee") for
11 the construction, including related parking and landscaping, of a new history museum
12 and the acquisition, construction, and capital equipping of a heating and air
13 conditioning system at the Nield Museum, both located in Cambridge.

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

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

33 (6) The proceeds of the loan must be expended or encumbered by the Board
34 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
36 the amount of the unencumbered or unexpended authorization shall be canceled and
37 be of no further effect. If bonds have been issued for the loan, the amount of
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
39 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, 2007.