

SENATE BILL 826

B2
SB 514/06 – B&T

71r2552
CF HB 1086

By: **Cecil County Senators**

Introduced and read first time: February 16, 2007

Assigned to: Rules

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 \$250,000, 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
9 proceeds; and providing generally for the issuance and sale of bonds evidencing
10 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 Cecil County
15 – Stone House Loan of 2007 in the total principal amount of \$250,000. This loan shall
16 be evidenced by the issuance, sale, and delivery of State general obligation bonds
17 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
18 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement
19 Article and Article 31, § 22 of the Code.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of the Historic Elk
7 Landing Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
8 repair, renovation, stabilization, and capital equipping of the historic Stone House,
9 located in Elkton.

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

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

17 (i) On the land or such portion of the land acceptable to the
18 Trust; and

19 (ii) On the exterior and interior, where appropriate, of the
20 historic structures.

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

23 (c) The easement must be in form and substance acceptable to the
24 Trust and any liens or encumbrances against the land or the structures must be
25 acceptable to the Trust.

26 (6) The proceeds of the loan must be expended or encumbered by the Board
27 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
28 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
29 the amount of the unencumbered or unexpended authorization shall be canceled and
30 be of no further effect. If bonds have been issued for the loan, the amount of
31 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
32 8-129 of the State Finance and Procurement Article.

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