

# SENATE BILL 119

B2

8lr1639

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By: **Senators Garagiola, Forehand, Frosh, King, Kramer, Lenett, Madaleno, and Raskin**

Introduced and read first time: January 17, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Button Farm Historic**  
3 **Preservation and Rehabilitation**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of  
5 \$300,000, the proceeds to be used as a grant to the Board of Directors of The  
6 Menare Foundation, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; requiring the grantee to grant  
9 and convey a certain easement to the Maryland Historical Trust; establishing a  
10 deadline for the encumbrance or expenditure of the loan proceeds; and providing  
11 generally for the issuance and sale of bonds evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Montgomery  
16 County – Button Farm Historic Preservation and Rehabilitation Loan of 2008 in the  
17 total principal amount of \$300,000. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
20 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
25 and first shall be applied to the payment of the expenses of issuing, selling, and  
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 shall be credited on the books of the Comptroller and expended, on approval by the  
2 Board of Public Works, for the following public purposes, including any applicable  
3 architects' and engineers' fees: as a grant to the Board of Directors of The Menare  
4 Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the planning,  
5 design, construction, repair, and renovation of the Button Farm, located in  
6 Germantown.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund of \$75,000. No part of the grantee's matching fund may be provided,  
14 either directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. No part of the fund may consist of real property. The matching fund  
16 may consist of in kind contributions or funds expended prior to the effective date of  
17 this Act. In case of any dispute as to the amount of the matching fund or what money  
18 or assets may qualify as matching funds, the Board of Public Works shall determine  
19 the matter and the Board's decision is final. The grantee has until June 1, 2010, to  
20 present evidence satisfactory to the Board of Public Works that a matching fund will  
21 be provided. If satisfactory evidence is presented, the Board shall certify this fact to  
22 the State Treasurer, and the proceeds of the loan shall be expended for the purposes  
23 provided in this Act.

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

27 (i) On the land or such portion of the land acceptable to the  
28 Trust; and

29 (ii) On the exterior and interior, where appropriate, of the  
30 historic structures.

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

33 (c) The easement must be in form and substance acceptable to the  
34 Trust and any liens or encumbrances against the land or the structures must be  
35 acceptable to the Trust.

36 (7) The proceeds of the loan must be expended or encumbered by the Board  
37 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any  
38 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,  
39 the amount of the unencumbered or unexpended authorization shall be canceled and  
40 be of no further effect. If bonds have been issued for the loan, the amount of

1 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
2 § 8–129 of the State Finance and Procurement Article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 June 1, 2008.