

# SENATE BILL 482

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CF HB 253

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By: **Senator Pipkin**

Introduced and read first time: February 4, 2009

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Queen Anne’s County – Kennard High School**  
3 **Restoration**

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 Kennard Alumni Association, 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; requiring  
9 the grantee to grant and convey a certain easement to the Maryland Historical  
10 Trust; establishing a deadline for the encumbrance or expenditure of the loan  
11 proceeds; and providing generally for the issuance and sale of bonds evidencing  
12 the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on  
16 behalf of the State of Maryland through a State loan to be known as the Queen Anne’s  
17 County – Kennard High School Restoration Loan of 2009 in the total principal amount  
18 of \$300,000. This loan shall be evidenced by the issuance, sale, and delivery of State  
19 general obligation bonds authorized by a resolution of the Board of Public Works and  
20 issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State  
21 Finance and Procurement Article and Article 31, § 22 of the Code.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
26 and first shall be applied to the payment of the expenses of issuing, selling, and  
27 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 Kennard  
4 Alumni Association, Inc. (referred to hereafter in this Act as "the grantee") for the  
5 repair, renovation, reconstruction, and capital equipping of Kennard High School,  
6 located in Centreville.

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 \$248,000. 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 fund may  
16 consist of in kind contributions or funds expended prior to the effective date of this  
17 Act. In case of any dispute as to the amount of the matching fund or what money or  
18 assets may qualify as matching funds, the Board of Public Works shall determine the  
19 matter and the Board's decision is final. The grantee has until June 1, 2011, to present  
20 evidence satisfactory to the Board of Public Works that a matching fund will be  
21 provided. If satisfactory evidence is presented, the Board shall certify this fact to the  
22 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, 2016. If any  
38 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,  
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, 2009.