

SENATE BILL 806

B2

2lr3047
CF 2lr2293

By: **Senators Brinkley and Young**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Frederick County – Downtown Frederick Hotel**
3 **and Conference Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$500,000, the proceeds to be used as a grant to the Mayor and Board of
6 Aldermen of the City of Frederick for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds; requiring the grantee
8 to grant and convey a certain easement to the Maryland Historical Trust;
9 establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing
11 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 Frederick
16 County – Downtown Frederick Hotel and Conference Center Loan of 2012 in the total
17 principal amount of \$500,000. This loan shall be evidenced by the issuance, sale, and
18 delivery of State general obligation bonds authorized by a resolution of the Board of
19 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
27 shall be credited on the books of the Comptroller and expended, on approval by the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant to the Mayor and Board of Aldermen of the
3 City of Frederick for the acquisition, planning, and design of the Downtown Frederick
4 Hotel and Conference Center, located in Frederick.

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

9 (5) (a) Prior to the issuance of the bonds, unless the Maryland Historical
10 Trust determines that the property to be assisted by the grant is not significant, is
11 significant only as a contributing property to a historic district listed in the Maryland
12 register of historic properties, is a type that is already adequately represented among
13 the Trust's existing easement properties, or is already subject to a perpetual historic
14 preservation easement acceptable to the Trust, the grantee shall grant and convey to
15 the Maryland Historical Trust a perpetual preservation easement to the extent of its
16 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 the extent of the interest to be encumbered must be acceptable to the Trust,
25 and any liens or encumbrances against the land or the structures must be acceptable
26 to the Trust.

27 (6) The proceeds of the loan must be expended or encumbered by the Board
28 of Public Works for the purposes provided in this Act no later than June 1, 2019. If any
29 funds authorized by this Act remain unexpended or unencumbered after June 1, 2019,
30 the amount of the unencumbered or unexpended authorization shall be canceled and
31 be of no further effect. If bonds have been issued for the loan, the amount of
32 unexpended or unencumbered bond proceeds shall be disposed of as provided in
33 § 8–129 of the State Finance and Procurement Article.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 June 1, 2012.