

SENATE BILL 594

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2000 Regular Session
0lr2478
CF 0lr2032

By: **Senator Ruben**
Introduced and read first time: February 4, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2000

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Silver Spring Innovation**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt ~~in the amount of~~
5 ~~\$1,500,000~~ not to exceed \$370,000, the proceeds to be used as a grant to the
6 County Executive and County Council of Montgomery County for certain
7 development or improvement purposes; providing for disbursement of the loan
8 proceeds, subject to a requirement that the grantee provide and expend a
9 matching fund; and providing generally for the issuance and sale of bonds
10 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 Montgomery
15 County - Silver Spring Innovation Center Loan of 2000 in ~~the total principal amount~~
16 ~~of \$1,500,000~~ a total principal amount equal to the lesser of (i) \$370,000 or (ii) the
17 amount of the matching fund provided in accordance with Section 1(5) below. This
18 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
19 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
20 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
21 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 as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

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 County Executive and County Council
7 of Montgomery County (referred to hereafter in this Act as "the grantee") for the
8 acquisition, planning, design, construction, capital equipping, and furnishing of, and
9 for professional services related to building design and tenant requirements for, the
10 Silver Spring Innovation Center, an incubator for information technology companies
11 and early-stage businesses, to be located in Silver Spring, Maryland.

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

16 (5) Prior to the payment of any funds under the provisions of this Act for the
17 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
18 matching fund of \$750,000. No part of the grantee's matching fund may be provided,
19 either directly or indirectly, from funds of the State, whether appropriated or
20 unappropriated. The fund may consist of real property, in kind contributions, or funds
21 expended prior to the effective date of this Act. In case of any dispute as to the amount
22 of the matching fund or what money or assets may qualify as matching funds, the
23 Board of Public Works shall determine the matter and the Board's decision is final.
24 The grantee has until June 1, 2002, to present evidence satisfactory to the Board of
25 Public Works that a matching fund will be provided. If satisfactory evidence is
26 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
27 the loan shall be expended for the purposes provided in this Act.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 June 1, 2000.