

SENATE BILL 200

B2

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CF 9lr1395

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

Introduced and read first time: January 23, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Imagination Stage**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$400,000,
4 the proceeds to be used as a grant to the Board of Trustees of Imagination
5 Stage, Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; establishing a deadline for the
8 encumbrance or expenditure of the loan proceeds; and providing generally for
9 the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Montgomery
14 County – Imagination Stage Loan of 2009 in a total principal amount equal to the
15 lesser of (i) \$400,000 or (ii) the amount of the matching fund provided in accordance
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
17 delivery of State general obligation bonds authorized by a resolution of the Board of
18 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
19 8–124 of the State Finance and Procurement 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.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 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 Board of Trustees of Imagination
3 Stage, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,
4 construction, reconstruction, repair, and capital equipping of Imagination Stage,
5 located in Bethesda.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
12 matching fund. No part of the grantee's matching fund may be provided, either
13 directly or indirectly, from funds of the State, whether appropriated or
14 unappropriated. No part of the fund may consist of real property or in kind
15 contributions. The fund may consist of funds expended prior to the effective date of
16 this Act. In case of any dispute as to the amount of the matching fund or what money
17 or assets may qualify as matching funds, the Board of Public Works shall determine
18 the matter and the Board's decision is final. The grantee has until June 1, 2011, to
19 present evidence satisfactory to the Board of Public Works that a matching fund will
20 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
21 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
22 equal to the amount of the matching fund shall be expended for the purposes provided
23 in this Act. Any amount of the loan in excess of the amount of the matching fund
24 certified by the Board of Public Works shall be canceled and be of no further effect.

25 (6) The proceeds of the loan must be expended or encumbered by the Board
26 of Public Works for the purposes provided in this Act no later than June 1, 2016. If any
27 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,
28 the amount of the unencumbered or unexpended authorization shall be canceled and
29 be of no further effect. If bonds have been issued for the loan, the amount of
30 unexpended or unencumbered bond proceeds shall be disposed of as provided in
31 § 8-129 of the State Finance and Procurement Article.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 June 1, 2009.