# SENATE BILL 836

B2 4lr2814
CF 4lr2737

By: **Senator Ferguson**
Introduced and read first time: January 31, 2014
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

**Creation of a State Debt – Baltimore City – Chesapeake Shakespeare Company's Downtown Theatre**

FOR the purpose of authorizing the creation of a State Debt not to exceed $500,000, the proceeds to be used as a grant to the Board of Trustees of the Chesapeake Shakespeare Company for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; establishing a deadline for the encumbrance or expenditure of the loan proceeds; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Baltimore City – Chesapeake Shakespeare Company's Downtown Theatre Loan of 2014 in a total principal amount equal to the lesser of (i) $500,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and Procurement Article.

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

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

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
**[**Brackets**]** indicate matter deleted from existing law.

shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: as a grant to the Board of Trustees of the Chesapeake Shakespeare Company (referred to hereafter in this Act as "the grantee") for the acquisition, planning, design, construction, repair, renovation, reconstruction, and capital equipping of the Chesapeake Shakespeare Company's Downtown Theatre, located in Baltimore City.

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

(5) Prior to the payment of any funds under the provisions of this Act for the purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. No part of the fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act. In case of any dispute as to the amount of the matching fund or what money or assets may qualify as matching funds, the Board of Public Works shall determine the matter and the Board's decision is final. The grantee has until June 1, 2016, to present evidence satisfactory to the Board of Public Works that a matching fund will be provided. If satisfactory evidence is presented, the Board shall certify this fact and the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of the matching fund shall be expended for the purposes provided in this Act. Any amount of the loan in excess of the amount of the matching fund certified by the Board of Public Works shall be canceled and be of no further effect.

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2021. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2021, the amount of the unencumbered or unexpended authorization shall be canceled and be of no further effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014.