

SENATE BILL 567

B2

6lr2182
CF 6lr2184

By: **Senator Cassilly**

Introduced and read first time: February 4, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Harford County – Center for the Visual and**
3 **Performing Arts Amphitheater**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$200,000, the
5 proceeds to be used as a grant to the Board of Trustees of the Center for the Visual
6 and Performing Arts, Inc. for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 grantee provide and expend a matching fund; requiring the grantee to submit a
9 certain report; providing that the Harford County Senate and House Delegations
10 have a certain period of time to review and comment on the report; establishing a
11 deadline for the encumbrance or expenditure of the loan proceeds; and providing
12 generally for the issuance and sale of bonds evidencing the loan.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 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 Harford County
17 – Center for the Visual and Performing Arts Amphitheater Loan of 2016 in a total principal
18 amount equal to the lesser of (i) \$200,000 or (ii) the amount of the matching fund provided
19 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
20 and delivery of State general obligation bonds authorized by a resolution of the Board of
21 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124
22 and 8–131.2 of the State Finance and Procurement Article.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as a
24 single issue or may be consolidated and sold as part of a single issue of bonds under §
25 8–122 of the State Finance and Procurement Article.

26 (3) (i) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
27 and first shall be applied to the payment of the expenses of issuing, selling, and delivering

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the bonds, unless funds for this purpose are otherwise provided, and then shall be credited
2 on the books of the Comptroller and expended, on approval by the Board of Public Works,
3 for the following public purposes, including any applicable architects' and engineers' fees:
4 as a grant to the Board of Trustees of the Center for the Visual and Performing Arts, Inc.
5 (referred to hereafter in this Act as "the grantee") for the acquisition, planning, design,
6 construction, repair, renovation, reconstruction, and capital equipping of the Center for the
7 Visual and Performing Arts Amphitheater, located in Harford County.

8 (ii) Before the payment of any funds authorized under this Act the grantee
9 shall provide a report to the Harford County Senate and House Delegations that describes
10 the scope of the project, the economic feasibility of the project, the funding sources of the
11 project, and the time frame for completion of the project.

12 (iii) The Harford County Senate and House Delegations shall have 45 days
13 to review and commit on the report.

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

18 (5) Prior to the payment of any funds under the provisions of this Act for the
19 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
20 fund. No part of the grantee's matching fund may be provided, either directly or indirectly,
21 from funds of the State, whether appropriated or unappropriated. No part of the fund may
22 consist of real property, in kind contributions, or funds expended prior to the effective date
23 of this Act. In case of any dispute as to the amount of the matching fund or what money or
24 assets may qualify as matching funds, the Board of Public Works shall determine the
25 matter and the Board's decision is final. The grantee has until June 1, 2018, to present
26 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
27 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the
28 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of
29 the matching fund shall be expended for the purposes provided in this Act. Any amount of
30 the loan in excess of the amount of the matching fund certified by the Board of Public Works
31 shall be canceled and be of no further effect.

32 (6) The proceeds of the loan must be expended or encumbered by the Board of
33 Public Works for the purposes provided in this Act no later than June 1, 2023. If any funds
34 authorized by this Act remain unexpended or unencumbered after June 1, 2023, the
35 amount of the unencumbered or unexpended authorization shall be canceled and be of no
36 further effect. If bonds have been issued for the loan, the amount of unexpended or
37 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
38 Finance and Procurement Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
40 1, 2016.