
By: Senators Hogan, Kasemeyer, Teitelbaum, and McCabe

Introduced and read first time: January 31, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1996

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Olney Theatre**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$400,000~~
4 \$270,000, the proceeds to be used as a grant to the Board of Directors of the Olney
5 Theatre Center for the Arts, Inc. for certain acquisition, development, or
6 improvement purposes; providing for disbursement of the loan proceeds, subject to
7 a requirement that the grantee provide and expend a matching fund; and providing
8 generally for the issuance and sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as theMontgomery
13 County - Olney Theatre Loan of 1996 in a total principal amount equal to the lesser of (i)
14 ~~\$400,000~~ \$270,000 or (ii) the amount of the matching fund provided in accordance with
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale,and delivery of
16 State general obligation bonds authorized by a resolution of the Board of Public Works
17 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 Finance and Procurement Article and Article 31, § 22 of the Code.

19 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
20 single issue or may be consolidated and sold as part of a single issue of bonds under §
21 8-122 of the State Finance and Procurement Article.

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
23 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
24 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
25 the books of the Comptroller and expended, on approval by the Board of Public Works,
26 for the following public purposes, including any applicable architects'and engineers' fees:

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1 as a grant to the Board of Directors of the Olney Theatre Center for the Arts, Inc.
2 (referred to hereafter in this Act as "the grantee") for the repair, renovation, capital
3 equipping, and expansion of the Olney Theatre Administration and Education Building.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
10 fund. No part of the grantee's matching fund may be provided, either directly or
11 indirectly, from funds of the State, whether appropriated or unappropriated. The fund
12 may consist of real property, in kind contributions, or funds expended prior to the
13 effective date of this Act. In case of any dispute as to the amount of the matching fund or
14 what money or assets may qualify as matching funds, the Board of Public Works shall
15 determine the matter and the Board's decision is final. The grantee has until June 1,
16 1998, to present evidence satisfactory to the Board of Public Works that a matching fund
17 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
18 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
19 equal to the amount of the matching fund shall be expended for the purposes provided in
20 this Act. Any amount of the loan in excess of the amount of the matching fund certified
21 by the Board of Public Works shall be canceled and be of no further effect.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 1996.