By: Senator Forehand
Introduced and read first time: January 10, 1997
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - City of Gaithersburg Concert Pavilion**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed $200,000, the
4   proceeds to be used as a grant to the Mayor and City Council of Gaithersburg for
5   certain development or improvement purposes; providing for disbursement of the
6   loan proceeds, subject to a requirement that the grantee provide and expend a
7   matching fund; and providing generally for the issuance and sale of bonds
8   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 the Montgomery
13 County - City of Gaithersburg Concert Pavilion Loan of 1997 in a total principal amount
14 equal to the lesser of (i) $200,000, or (ii) the amount of the matching fund provided in
15 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
16 and delivery of State general obligation bonds authorized by a resolution of the Board of
17 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124
18 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

19   (2) The bonds to evidence this loan or installments of this loan may be 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:
27 as a grant to the Mayor and City Council of Gaithersburg (referred to hereafter in this
28 Act as "the grantee") for the planning, design, and construction of the Olde Town
29 Concert Pavilion and for associated site work, the pavilion to be located at the northwest
30 corner of the City Hall site in Gaithersburg.

31   (4) An annual State tax is imposed on all assessable property in the State in rate
32 and amount sufficient to pay the principal of and interest on the bonds, as and when due

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1 and until paid in full. The principal shall be discharged within 15 years after the date of
2 issuance of the bonds.

3   (5) Prior to the payment of any funds under the provisions of this Act for the
4 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
5 fund. No part of the grantee's matching fund may be provided, either directly or
6 indirectly, from funds of the State, whether appropriated or unappropriated. The fund
7 may consist of real property, in kind contributions, or funds expended prior to the
8 effective date of this Act. In case of any dispute as to the amount of the matching fund or
9 what money or assets may qualify as matching funds, the Board of Public Works shall
10 determine the matter and the Board's decision is final. The grantee has until June 1,
11 1999, to present evidence satisfactory to the Board of Public Works that a matching fund
12 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
13 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
14 equal to the amount of the matching fund shall be expended for the purposes provided in
15 this Act. Any amount of the loan in excess of the amount of the matching fund certified
16 by the Board of Public Works shall be canceled and be of no further effect.

17   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 June 1, 1997.