

CF 7r1854

By: Senators Hogan, Roesser, Teitelbaum, and Ruben

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

CHAPTER ____

1 AN ACT concerning

2 Creation of a State Debt - Montgomery County - Germantown Cultural Arts Center

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$2,850,000~~
4 \$50,000, the proceeds to be used as a grant to the Board of Trustees of the
5 Germantown Cultural Arts Center, 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 the Montgomery
13 County - Germantown Cultural Arts Center Loan of 1997 in a total principal amount
14 equal to the lesser of (i) ~~\$2,850,000~~ \$50,000 or (ii) the amount of the matching fund
15 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
16 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of
17 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
18 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the
19 Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as a
21 single issue or may be consolidated and sold as part of a single issue of bonds under §
22 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 and
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
26 the books of the Comptroller and expended, on approval by the Board of Public Works,

2

1 for the following public purposes, including any applicable architects' and engineers' fees:
2 as a grant to the Board of Trustees of the Germantown Cultural Arts Center, Inc.
3 (referred to hereafter in this Act as "the grantee") for the planning, design, and
4 construction of, and for the provision of capital equipment for, a ~~multiarts~~ multi-arts
5 facility, in which there will be community programs in the performing arts, visual arts, and
6 art education, to be located in the 19700 block of Germantown Road in Germantown,
7 Maryland.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
14 fund. No part of the grantee's matching fund may be provided, either directly or
15 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
16 the fund may consist of real property, in kind contributions, or funds expended prior to
17 the effective date of this Act. In case of any dispute as to the amount of the matching
18 fund or what money or assets may qualify as matching funds, the Board of Public Works
19 shall determine the matter and the Board's decision is final. The grantee has until June 1,
20 1999, to present evidence satisfactory to the Board of Public Works that a matching fund
21 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
22 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
23 equal to the amount of the matching fund shall be expended for the purposes provided in
24 this Act. Any amount of the loan in excess of the amount of the matching fund certified
25 by the Board of Public Works shall be canceled and be of no further effect.

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