

CF 7lr1524

By: Senators Ruben, Forehand, Hogan, and ~~Teitelbaum~~ Teitelbaum, and Van Hollen

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 Agricultural Center

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$495,000, the
 4 proceeds to be used as a grant to the Board of Directors of the Montgomery County
 5 Agricultural Center, Inc. for certain development or improvement purposes;
 6 providing for disbursement of the loan proceeds, subject to a requirement that the
 7 grantee provide and expend a matching fund; and providing generally for the
 8 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 Agricultural Center Loan of 1997 in a total principal amount equal to the lesser
 14 of (i) \$495,000 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 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:

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1 as a grant to Board of Directors of the Montgomery County Agricultural Center, Inc.
2 (referred to hereafter in this Act as "the grantee") for the repair and renovation of, and
3 for the provision of capital equipment for, an existing building, including infrastructure
4 upgrades, and for the planning, design, and construction of the Montgomery County
5 Agricultural, Business, and Education Center on the grounds of the Agricultural Center
6 in Gaithersburg.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
13 fund. Of the total matching fund, the County Executive and County Council of
14 Montgomery County pledge \$247,500 and the grantee pledges \$247,500. The grantee,
15 however, is responsible for the provision of the matching fund. No part of the grantee's
16 matching fund may be provided, either directly or indirectly, from funds of the State,
17 whether appropriated or unappropriated. No part of the fund may consist of real
18 property, in kind contributions, or funds expended prior to the effective date of this Act.
19 In case of any dispute as to the amount of the matching fund or what money or assets may
20 qualify as matching funds, the Board of Public Works shall determine the matter and the
21 Board's decision is final. The grantee has until June 1, 1999, to present evidence
22 satisfactory to the Board of Public Works that a matching fund will be provided. If
23 satisfactory evidence is presented, the Board shall certify this fact and the amount of the
24 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount
25 of the matching fund shall be expended for the purposes provided in this Act. Any
26 amount of the loan in excess of the amount of the matching fund certified by the Board
27 of Public Works shall be canceled and be of no further effect.

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