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By: Senators Ruben and Hoffman, Hoffman, and Van Hollen

Introduced and read first time: February 18, 1997

Assigned to: Rules

Re-referred to: Budget and Taxation, February 24, 1997

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 - Strathmore Hall Arts Center

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$2,000,000~~
4 \$1,000,000, the proceeds to be used as a grant to the County Executive and County
5 Council of Montgomery County 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; ~~requiring the grantee to convey a~~
8 ~~certain easement to the Maryland Historical Trust~~; and providing generally for the
9 issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Montgomery
14 County - Strathmore Hall Arts Center Loan of 1997 in a total principal amount equal to
15 the lesser of (i) ~~\$2,000,000~~ \$1,000,000 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board of
18 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124
19 of the State Finance and Procurement Article and Article 31, § 22 of the 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

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,
 2 for the following public purposes, including any applicable architects' and engineers' fees:
 3 as a grant to the County Executive and County Council of Montgomery County (referred
 4 to hereafter in this Act as "the grantee") for the planning and design of a multiuse
 5 performing arts center and an educational facility on the grounds of the original
 6 Strathmore Hall.

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

25 ~~(6) (a) Prior to the issuance of the bonds, the grantee shall grant and~~
 26 ~~convey to the Maryland Historical Trust a perpetual preservation easement to the extent~~
 27 ~~of its interest:~~

28 ~~(i) On the land or such portion of the land acceptable to the Trust;~~
 29 ~~and~~

30 ~~(ii) On the exterior and interior, where appropriate, of the historic~~
 31 ~~structures.~~

32 ~~(b) The easement must be in form and substance acceptable to the Trust~~
 33 ~~and the extent of the interest to be encumbered must be acceptable to the Trust.~~

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

