
By: Senator Van Hollen

Introduced and read first time: February 27, 1997

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Air Rights Building Tunnel**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$300,000, the
4 proceeds to be used as a grant to the County Executive and County Council of
5 Montgomery County for certain acquisition, development, or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a requirement
7 that the grantee provide and expend a matching fund; and providing generally for
8 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 - Air Rights Building Tunnel Loan of 1997 in a total principal amount equal to
14 the lesser of (i) \$300,000 or (ii) the amount of the matching fund provided in accordance
15 with 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:
27 as a grant to the County Executive and County Council of Montgomery County (referred
28 to hereafter in this Act as "the grantee") for the renovation and repair of the tunnel
29 under the Air Rights Building on Wisconsin Avenue.

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

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

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