

HOUSE BILL 791

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B2

1998 Regular Session
8lr0404
CF 8lr0396

By: **Delegates Kagan, Barve, and Gordon**
Introduced and read first time: February 12, 1998
Assigned to: Appropriations

A BILL ENTITLED

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,
4 the proceeds to be used as a grant to the Board of Directors of the Montgomery
5 County Agricultural Center, Inc. for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a
7 requirement that the grantee provide and expend a matching fund; and
8 providing 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 Agricultural Center Loan of 1998 in a total principal amount equal to the
14 lesser of (i) \$495,000 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
16 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
18 8-124 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
20 a 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
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to Board of Directors of the Montgomery
28 County Agricultural Center, Inc. (referred to hereafter in this Act as "the grantee") for
29 the repair, renovation, and capital equipping for an existing building, including
30 infrastructure upgrades, and for the planning, design, and construction of the
31 Montgomery County Agricultural, Business, and Education Center on the grounds of
32 the Agricultural Center in Gaithersburg.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund. Of the total matching fund, the County Executive and County Council
8 of Montgomery County pledge \$247,500 and the grantee pledges \$247,500. The
9 grantee, however, is responsible for the provision of the matching fund. No part of the
10 grantee's matching fund may be provided, either directly or indirectly, from funds of
11 the State, whether appropriated or unappropriated. No part of the fund may consist of
12 real property, in kind contributions, or funds expended prior to the effective date of
13 this Act. In case of any dispute as to the amount of the matching fund or what money
14 or assets may qualify as matching funds, the Board of Public Works shall determine
15 the matter and the Board's decision is final. The grantee has until June 1, 2000, to
16 present evidence satisfactory to the Board of Public Works that a matching fund will
17 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
18 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
19 equal to the amount of the matching fund shall be expended for the purposes provided
20 in this Act. Any amount of the loan in excess of the amount of the matching fund
21 certified by the Board of Public Works shall be canceled and be of no further effect.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 1998.