

HOUSE BILL 1172

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B2

1998 Regular Session  
8lr2548  
CF SB 432

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By: **Delegates Heller, Hixson, Barve, Beck, Dypski, Faulkner, Flanagan,  
Franchot, Genn, Goldwater, Healey, Kagan, Kopp, Mandel, Menes,  
Kittleman, Shriver, and Hurson**

Introduced and read first time: February 13, 1998  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 31, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Olney Theatre Center for**  
3 **the Arts**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$2,000,000~~  
5 \$200,000, the proceeds to be used as a grant to the Olney Theatre Center for the  
6 Arts for certain acquisition, development, or improvement purposes; providing  
7 for disbursement of the loan proceeds, subject to a requirement that the grantee  
8 and the County Executive and County Council of Montgomery County jointly  
9 provide and expend a matching fund; requiring the grantee to grant and convey  
10 to the Maryland Historical Trust a certain kind of easement; and providing  
11 generally for the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Montgomery  
16 County - Olney Theatre Center for the Arts Loan of 1998 in a total principal amount  
17 equal to the lesser of (i) ~~\$2,000,000~~ \$200,000 or (ii) the amount of the matching fund  
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
19 issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

1 (2) The bonds to evidence this loan or installments of this loan may be sold as  
 2 a single issue or may be consolidated and sold as part of a single issue of bonds under  
 3 § 8-122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
 5 and first shall be applied to the payment of the expenses of issuing, selling, and  
 6 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
 7 shall be credited on the books of the Comptroller and expended, on approval by the  
 8 Board of Public Works, for the following public purposes, including any applicable  
 9 architects' and engineers' fees: as a grant to the Olney Theatre Center for the Arts  
 10 (referred to hereafter in this Act as "the grantee") for the planning, design,  
 11 construction, and capital equipping of a new main stage for the Theatre, together with  
 12 landscaping, site improvements, and other associated capital improvements that are  
 13 necessary for the completion of Phase One of the Olney Theatre Campus Master Plan.

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

18 (5) Prior to the payment of any funds under the provisions of this Act for the  
 19 purposes set forth in Section 1(3) above, the grantee and the County Executive and  
 20 County Council of Montgomery County jointly shall provide and expend a matching  
 21 fund. No part of the matching fund may be provided, either directly or indirectly, from  
 22 funds of the State, whether appropriated or unappropriated. The fund may consist of  
 23 real property, in kind contributions, or funds expended prior to the effective date of  
 24 this Act. In case of any dispute as to the amount of the matching fund or what money  
 25 or assets may qualify as matching funds, the Board of Public Works shall determine  
 26 the matter and the Board's decision is final. The grantee and the County Executive  
 27 and County Council of Montgomery County have until June 1, 2000, to present  
 28 evidence satisfactory to the Board of Public Works that a matching fund will be  
 29 provided. If satisfactory evidence is presented, the Board shall certify this fact and  
 30 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
 31 equal to the amount of the matching fund shall be expended for the purposes provided  
 32 in this Act. Any amount of the loan in excess of the amount of the matching fund  
 33 certified by the Board of Public Works shall be canceled and be of no further effect.

34 ~~(6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey~~  
 35 ~~to the Maryland Historical Trust a perpetual preservation easement to the extent of~~  
 36 ~~its interest.~~

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

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

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

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