
By: **Senators Hogan, Ruben, McCabe, Van Hollen, and Forehand**
Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

A BILL ENTITLED

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 the proceeds to be used as a grant to the Olney Theatre Center for the Arts for
6 certain acquisition, development, or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; requiring the grantee to grant and convey
9 to the Maryland Historical Trust a certain kind of easement; and providing
10 generally for the issuance and sale of bonds evidencing the loan.

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

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

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Olney Theatre Center for the Arts
30 (referred to hereafter in this Act as "the grantee") for the planning, design,
31 construction, and capital equipping of a new main stage for the Theatre, together with

1 landscaping, site improvements, and other associated capital improvements that are
2 necessary for the completion of Phase One of the Olney Theatre Campus Master Plan.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee and the County Executive and
9 County Council of Montgomery County jointly shall provide and expend a matching
10 fund. No part of the matching fund may be provided, either directly or indirectly, from
11 funds of the State, whether appropriated or unappropriated. 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 and the County Executive
16 and County Council of Montgomery County have until June 1, 2000, to present
17 evidence satisfactory to the Board of Public Works that a matching fund will be
18 provided. If satisfactory evidence is presented, the Board shall certify this fact and
19 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
20 equal to the amount of the matching fund shall be expended for the purposes provided
21 in this Act. Any amount of the loan in excess of the amount of the matching fund
22 certified by the Board of Public Works shall be canceled and be of no further effect.

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

26 (i) On the land or such portion of the land acceptable to the Trust;
27 and

28 (ii) On the exterior and interior, where appropriate, of the historic
29 structures.

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

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