

SENATE BILL 432

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B2

1998 Regular Session
8r1791
CF 8r2548

By: **Senators Hogan, Ruben, McCabe, Van Hollen, and Forehand**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1998

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 \$500,000, 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 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 Montgomery
15 County - Olney Theatre Center for the Arts Loan of 1998 in a total principal amount
16 equal to the lesser of (i) ~~\$2,000,000~~ \$500,000 or (ii) the amount of the matching fund
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance
20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
21 Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

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

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

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

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

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

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

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

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

