

SENATE BILL 494

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SB 723/97 - B&T

1998 Regular Session
8lr0396
CF 8lr0404

By: **Senators Forehand, Ruben, Frosh, Teitelbaum, Van Hollen, Roesser,
and Hogan**

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 Agricultural Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$495,000~~
4 \$400,000, the proceeds to be used as a grant to the Board of Directors of the
5 Montgomery County Agricultural Center, Inc. for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a 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~~ \$400,000 or (ii) the amount of the matching fund provided in
15 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
16 and delivery of State general obligation bonds authorized by a resolution of the Board
17 of 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

1 shall be credited on the books of the Comptroller and expended, on approval by the
2 Board of Public Works, for the following public purposes, including any applicable
3 architects' and engineers' fees: as a grant to the Board of Directors of the Montgomery
4 County Agricultural Center, Inc. (referred to hereafter in this Act as "the grantee") for
5 the repair, renovation, and capital equipping for an existing building, infrastructure
6 upgrades, including those that are necessary for ADA compliance, and for the
7 planning, design, and construction of the Montgomery County; Agribusiness; and
8 Agricultural Education Center on the grounds of the Agricultural Center in
9 Gaithersburg.

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

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

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