
By: **Delegate Dembrow**
Introduced and read first time: February 24, 1999
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County Consolidated Capital Bond**
3 **Program - Community Services**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$4,400,000,
5 the proceeds to be used as a grant for the use of the following entities that
6 provide community services in Montgomery County: the Mayor and City Council
7 of the City of Takoma Park, the Board of Directors of the Silver Spring Team for
8 Children and Families, Inc.; the Board of Directors of Pyramid Atlantic; the
9 Board of Directors of the National Council for the Traditional Arts, Inc.; and the
10 Board of Directors of Montgomery Preservation, Inc. for certain development or
11 improvement purposes; providing for disbursement of the loan proceeds, subject
12 to a requirement that the grantee provide and expend a matching fund; and
13 providing generally for the issuance and sale of bonds evidencing the loan.

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That:

16 (1) The Board of Public Works may borrow money and incur indebtedness on
17 behalf of the State of Maryland through a State loan to be known as the Montgomery
18 County Consolidated Capital Bond Program - Community Services Loan of 1999 in a
19 total principal amount equal to the lesser of (i) \$4,400,000 or (ii) the total amount of
20 the matching fund provided in accordance with Section 1(5) below. This loan shall be
21 evidenced by the issuance, sale, and delivery of State general obligation bonds
22 authorized by a resolution of the Board of Public Works and issued, sold, and
23 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
24 Procurement Article and Article 31, § 22 of the Code.

25 (2) The bonds to evidence this loan or installments of this loan may be sold as
26 a single issue or may be consolidated and sold as part of a single issue of bonds under
27 § 8-122 of the State Finance and Procurement Article.

28 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
29 and first shall be applied to the payment of the expenses of issuing, selling, and
30 delivering the bonds, unless funds for this purpose are otherwise provided, and then
31 shall be credited on the books of the Comptroller and expended, on approval by the
32 Board of Public Works, for the following public purposes, including any applicable

1 architects' and engineers' fees: as a grant for community services to be used in specific
2 amounts by the following entities for specified community services and purposes:

3 (a) \$2,000,000 for use by the Mayor and City Council of the City of
4 Takoma Park (referred to hereafter in this Act as "a grantee") for the planning,
5 design, construction, reconstruction, and capital equipping of a youth technical center
6 in Takoma Park;

7 (b) \$100,000 for use by the Board of Directors of the Team for Children
8 and Families, Inc., (referred to hereafter in this Act as "a grantee") for the
9 construction, reconstruction, renovation, repair, and capital equipping of a computer
10 technology center at the Long Branch Community Center located at 8700 Piney
11 Branch Road in Silver Spring;

12 (c) \$1,000,000 for use by the Board of Directors of Pyramid Atlantic
13 (referred to hereafter in this Act as "a grantee") for the repair, renovation,
14 construction, reconstruction, and capital equipping of a building to house the Site for
15 Electronic Media, Art, and Applied Arts in the downtown revitalization area of Silver
16 Spring;

17 (d) \$1,100,000 for use by the Board of Directors of the National Council
18 for the Traditional Arts, Inc. (referred to hereafter in this Act as "a grantee") for the
19 repair, renovation, construction, reconstruction, and capital equipping of the old Blair
20 High School auditorium located at 313 Wayne Avenue in Silver Spring; and

21 (e) \$200,000 for use by the Board of Directors of Montgomery
22 Preservation, Inc. (referred to hereafter in this Act as "a grantee") for the planning,
23 design, repair, reconstruction, restoration, and capital equipping of the Baltimore and
24 Ohio Train Station in Silver Spring, for use as a historical site, a museum, a visitors
25 center and working train station for the MARC line.

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

30 (5) (a) Except for the Mayor and City Council of the City of Takoma Park, a
31 grantee shall provide and expend a specific share of the matching fund for the
32 purposes set forth in Section 1(3) above, as follows:

33 (i) up to \$100,000 for the Team for Children and Families, Inc.;

34 (ii) up to \$1,000,000 for the Board of Directors of Pyramid Atlantic;

35 (iii) up to \$1,000,000 for the National Council for the Traditional
36 Arts, Inc.; and

37 (iv) up to \$200,000 for the Board of Directors of Montgomery
38 Preservation, Inc.

1 (b) In the case of the Mayor and City Council of the City of Takoma Park,
2 the Board may not require a matching fund.

3 (c) (i) No part of the matching fund may be provided, either directly or
4 indirectly, from funds of the State, whether appropriated or unappropriated.

5 (ii) Except for the Old Blair High School Auditorium part of the
6 project, no part of the fund may consist of real property, in kind contributions, or
7 funds expended prior to the effective date of this Act. For the Old Blair High School
8 auditorium part of the project, the fund may consist of in kind contributions.

9 (iii) In case of any dispute as to the amount of the matching fund or
10 what money or assets may qualify as matching funds, the Board of Public Works shall
11 determine the matter and the Board's decision is final. An individual grantee has
12 until June 1, 2001, to present evidence satisfactory to the Board of Public Works that
13 the individual grantee has provided and expended a share of the matching fund. As
14 satisfactory evidence is presented by an individual grantee, the Board shall certify
15 this fact and the amount of the matching fund of the individual grantee to the State
16 Treasurer, and the proceeds of the loan equal to the part of the matching fund
17 provided and expended by the individual grantee shall be expended for the purposes
18 provided in this Act for that grantee. Any amount of the loan in excess of the amount
19 of that part of the matching fund certified by the Board of Public Works shall be
20 canceled and be of no further effect.

21 (6) (a) Prior to the issuance of the bonds for the Baltimore and Ohio Train
22 Station part of the project, the Board of Directors of Montgomery Preservation, Inc.
23 shall grant and convey to the Maryland Historical Trust a perpetual preservation
24 easement to the extent of its interest:

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

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 June 1, 1999.