

SENATE BILL 594

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B2

2000 Regular Session
0lr2478
CF 0lr2032

By: **Senator Ruben**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Silver Spring Innovation**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$1,500,000, the proceeds to be used as a grant to the County Executive and
6 County Council of Montgomery County for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; and
9 providing generally for the issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Montgomery
14 County - Silver Spring Innovation Center Loan of 2000 in the total principal amount
15 of \$1,500,000. This loan shall be evidenced by the issuance, sale, and delivery of State
16 general obligation bonds authorized by a resolution of the Board of Public Works and
17 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 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
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to the County Executive and County Council
28 of Montgomery County (referred to hereafter in this Act as "the grantee") for the
29 acquisition, planning, design, construction, capital equipping, and furnishing of, and
30 for professional services related to building design and tenant requirements for, the
31 Silver Spring Innovation Center, an incubator for information technology companies
32 and early-stage businesses, to be located in Silver Spring, Maryland.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund of \$750,000. No part of the grantee's matching fund may be provided,
8 either directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. The fund may consist of real property, in kind contributions, or funds
10 expended prior to the effective date of this Act. In case of any dispute as to the amount
11 of the matching fund or what money or assets may qualify as matching funds, the
12 Board of Public Works shall determine the matter and the Board's decision is final.
13 The grantee has until June 1, 2002, to present evidence satisfactory to the Board of
14 Public Works that a matching fund will be provided. If satisfactory evidence is
15 presented, the Board shall certify this fact to the State Treasurer, and the proceeds of
16 the loan shall be expended for the purposes provided in this Act.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 June 1, 2000.