

SENATE BILL 530

Unofficial Copy  
B4

2002 Regular Session  
2lr2213  
CF 2lr2262

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By: **Senator Ruben**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Creation of a State Debt - Montgomery County - Site for Electronic Media,**  
3                                   **Art, and Technology**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,  
5 the proceeds to be used as a grant to the Board of Directors of Pyramid Atlantic,  
6 Inc. 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; and providing generally for the issuance  
9 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 - Site for Electronic Media, Art, and Technology Loan of 2002 in a total  
15 principal amount equal to the lesser of (i) \$1,000,000 or (ii) the amount of the  
16 matching fund provided in accordance with Section 1(5) below. This loan shall be  
17 evidenced by the issuance, sale, and delivery of State general obligation bonds  
18 authorized by a resolution of the Board of Public Works and issued, sold, and  
19 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
20 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 Board of Directors of Pyramid  
30 Atlantic, Inc. (referred to hereafter in this Act as "the grantee") for the planning,  
31 development, design, construction, reconstruction, and capital equipping of a building

1 that will house the Site for Electronic Media, Art, and Technology, as part of the  
2 downtown revitalization area of Silver Spring.

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 shall provide and expend a  
9 matching fund. No part of the grantee's matching fund may be provided, either  
10 directly or indirectly, from funds of the State, whether appropriated or  
11 unappropriated. No part of the fund may consist of real property or in kind  
12 contributions. The fund may consist of 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 has until June 1, 2004 to  
16 present evidence satisfactory to the Board of Public Works that a matching fund will  
17 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
18 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
19 equal to the amount of the matching fund shall be expended for the purposes provided  
20 in this Act. Any amount of the loan in excess of the amount of the matching fund  
21 certified by the Board of Public Works shall be canceled and be of no further effect.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 June 1, 2002.