

SENATE BILL 313

Unofficial Copy
B2
SB 670/03 - B&T

2004 Regular Session
4r1409

By: **Senator Forehand**

Introduced and read first time: February 2, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Maryland Avenue Extended**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000,
4 the proceeds to be used as a grant to the Mayor and City Council of Rockville for
5 certain development or improvement purposes; providing for disbursement of
6 the loan proceeds, subject to a requirement that the grantee provide and expend
7 a matching fund; establishing a deadline for the encumbrance or expenditure of
8 the loan proceeds; and providing generally for the issuance and sale of bonds
9 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 - Maryland Avenue Extended Loan of 2004 in a total principal amount equal
15 to the lesser of (i) \$350,000 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
19 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the Mayor and City Council of Rockville
29 (referred to hereafter in this Act as "the grantee") for the design and construction of
30 an extension of Maryland Avenue between Middle Lane and Beall Avenue to consist of
31 a lane of traffic in both directions to serve as a gateway to the entertainment corridor
32 in Rockville Town Center, including pedestrian amenities, wide sidewalks,

1 landscaping, ornamental lighting, on-street parking, and bike lanes, located in
2 Rockville.

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, in kind
12 contributions, or funds expended prior to the effective date of this Act. In case of any
13 dispute as to the amount of the matching fund or what money or assets may qualify
14 as matching funds, the Board of Public Works shall determine the matter and the
15 Board's decision is final. The grantee has until June 1, 2006, to present evidence
16 satisfactory to the Board of Public Works that a matching fund will be provided. If
17 satisfactory evidence is presented, the Board shall certify this fact and the amount of
18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
19 amount of the matching fund shall be expended for the purposes provided in this Act.
20 Any amount of the loan in excess of the amount of the matching fund certified by the
21 Board of Public Works shall be canceled and be of no further effect.

22 (6) The proceeds of the loan must be expended or encumbered by the Board of
23 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
24 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
25 the amount of the unencumbered or unexpended authorization shall be canceled and
26 be of no further effect. If bonds have been issued for the loan, the amount of
27 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
28 8-129 of the State Finance and Procurement Article.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 2004.