

---

By: **Senator Ruben**

Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

2                   **Creation of a State Debt - Montgomery County - Old Blair Auditorium**  
3                   **Project**

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 the Old Blair  
6 Auditorium Project, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; establishing a deadline for the  
9 encumbrance or expenditure of the loan proceeds; and providing generally for  
10 the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Montgomery  
15 County - Old Blair Auditorium Project Loan of 2005 in the total principal amount of  
16 \$1,000,000. This loan shall be evidenced by the issuance, sale, and delivery of State  
17 general obligation bonds authorized by a resolution of the Board of Public Works and  
18 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
19 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 Board of Directors of the Old Blair  
29 Auditorium Project, Inc. (referred to hereafter in this Act as "the grantee") for the  
30 planning, design, construction, repair, renovation, reconstruction, and capital  
31 equipping of the Old Blair Auditorium, located in Silver Spring.

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 \$500,000. 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. No part of the fund may consist of real property. The fund may  
10 consist of in kind contributions or funds expended prior to the effective date of this  
11 Act. In case of any dispute as to the amount of the matching fund or what money or  
12 assets may qualify as matching funds, the Board of Public Works shall determine the  
13 matter and the Board's decision is final. The grantee has until June 1, 2007, to  
14 present evidence satisfactory to the Board of Public Works that a matching fund will  
15 be provided. If satisfactory evidence is presented, the Board shall certify this fact to  
16 the State Treasurer, and the proceeds of the loan shall be expended for the purposes  
17 provided in this Act.

18 (6) The proceeds of the loan must be expended or encumbered by the Board of  
19 Public Works for the purposes provided in this Act no later than June 1, 2012. If any  
20 funds authorized by this Act remain unexpended or unencumbered after June 1,  
21 2012, the amount of the unencumbered or unexpended authorization shall be  
22 canceled and be of no further effect. If bonds have been issued for the loan, the  
23 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
24 provided in § 8-129 of the State Finance and Procurement Article.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 June 1, 2005.