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By: **Senator Ruben**

Introduced and read first time: February 10, 2005

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Historic Takoma**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
4 the proceeds to be used as a grant to the Board of Directors of Historic Takoma,  
5 Inc. for certain development or improvement purposes; providing for  
6 disbursement of the loan proceeds, subject to a requirement that the grantee  
7 provide and expend a matching fund; establishing a deadline for the  
8 encumbrance or expenditure of the loan proceeds; and providing generally for  
9 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 - Historic Takoma Loan of 2005 in a total principal amount equal to the lesser  
15 of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance with  
16 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
17 State general obligation bonds authorized by a resolution of the Board of Public  
18 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of  
19 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 Board of Directors of Historic  
29 Takoma, Inc. (referred to hereafter in this Act as "the grantee") for the acquisition,  
30 planning, design, repair, renovation, reconstruction, and capital equipping of a  
31 building to serve as a museum for Historic Takoma, including office and meeting

1 space and facilities to house Historic Takoma's collection of photographs and artifacts,  
2 located in Takoma Park.

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. The fund may consist of real property, in kind contributions, or funds  
12 expended prior to the effective date of this Act. In case of any dispute as to the amount  
13 of the matching fund or what money or assets may qualify as matching funds, the  
14 Board of Public Works shall determine the matter and the Board's decision is final.  
15 The grantee has until June 1, 2007, to present evidence satisfactory to the Board of  
16 Public Works that a matching fund will be provided. If satisfactory evidence is  
17 presented, the Board shall certify this fact and the amount of the matching fund to  
18 the State Treasurer, and the proceeds of the loan equal to the amount of the matching  
19 fund shall be expended for the purposes provided in this Act. Any amount of the loan  
20 in excess of the amount of the matching fund certified by the Board of Public Works  
21 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, 2012. If any  
24 funds authorized by this Act remain unexpended or unencumbered after June 1,  
25 2012, the amount of the unencumbered or unexpended authorization shall be  
26 canceled and be of no further effect. If bonds have been issued for the loan, the  
27 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
28 provided in § 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, 2005.