

(PRE-FILED)

By: **Senators Garagiola, Forehand, and Hogan**
 Requested: November 1, 2005
 Introduced and read first time: January 11, 2006
 Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Agriculture Activity Center**
 3 **Expansion**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$750,000,
 5 the proceeds to be used as a grant to the County Executive and County Council
 6 of Montgomery County 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 - Agriculture Activity Center Expansion Loan of 2006 in a total principal
 16 amount equal to the lesser of (i) \$750,000 or (ii) the amount of the matching fund
 17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
 18 issuance, sale, and delivery of State general obligation bonds authorized by a
 19 resolution of the Board of Public Works and issued, sold, and delivered in accordance
 20 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
 21 Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
 23 a single issue or may be consolidated and sold as part of a single issue of bonds under
 24 § 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
 26 and first shall be applied to the payment of the expenses of issuing, selling, and
 27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
 28 shall be credited on the books of the Comptroller and expended, on approval by the
 29 Board of Public Works, for the following public purposes, including any applicable
 30 architects' and engineers' fees: as a grant to the County Executive and County Council
 31 of Montgomery County (referred to hereafter in this Act as "the grantee") for the

1 construction, repair, reconstruction, and capital equipping of the Agriculture Activity
2 Center at the Agricultural History Farm Park, located in Derwood.

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, 2008, 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, 2013. If any
24 funds authorized by this Act remain unexpended or unencumbered after June 1,
25 2013, 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, 2006.