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By: **Senators Frosh, Forehand, Garagiola, Grosfeld, Hogan, Kramer, Ruben,  
and Teitelbaum**

Introduced and read first time: January 23, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Glen Echo Park**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$700,000,  
4 the proceeds to be used as a grant to the County Executive and County Council  
5 of Montgomery County for certain development or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that  
7 the grantee provide and expend a matching fund; requiring the grantee to grant  
8 and convey a certain easement to the Maryland Historical Trust; establishing a  
9 deadline for the encumbrance or expenditure of the loan proceeds; and providing  
10 generally for 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 - Glen Echo Park Loan of 2006 in a total principal amount equal to the lesser  
16 of (i) \$700,000 or (ii) the amount of the matching fund provided in accordance with  
17 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
18 State general obligation bonds authorized by a resolution of the Board of Public  
19 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of  
20 the State Finance and 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 County Executive and County Council  
30 of Montgomery County (referred to hereafter in this Act as "the grantee") for the  
31 planning, design, repair, renovation, reconstruction, and capital equipping of

1 improvements to various buildings and structures, including the Chautauqua Tower,  
2 at Glen Echo Park, located in Montgomery County.

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 to the State  
18 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in  
19 this Act.

20 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey  
21 to the Maryland Historical Trust a perpetual preservation easement to the extent of  
22 its interest:

23 (i) On the land or such portion of the land acceptable to the Trust;  
24 and

25 (ii) On the exterior and interior, where appropriate, of the historic  
26 structures.

27 (b) If the grantee or beneficiary of the grant holds a lease on the land  
28 and structures, the Trust may accept an easement on the leasehold interest.

29 (c) The easement must be in form and substance acceptable to the Trust  
30 and any liens or encumbrances against the land or the structures must be acceptable  
31 to the Trust.

32 (7) The proceeds of the loan must be expended or encumbered by the Board of  
33 Public Works for the purposes provided in this Act no later than June 1, 2013. If any  
34 funds authorized by this Act remain unexpended or unencumbered after June 1,  
35 2013, the amount of the unencumbered or unexpended authorization shall be  
36 canceled and be of no further effect. If bonds have been issued for the loan, the  
37 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
38 provided in § 8-129 of the State Finance and Procurement Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
40 June 1, 2006.