

HOUSE BILL 490

B2

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CF SB 510

By: **Delegates Bronrott, Goldwater, Lee, Barkley, Dumais, Feldman, Gilchrist, Gutierrez, Heller, Hixson, Hucker, Kaiser, N. King, Kramer, Lawton, Manno, Mizeur, Montgomery, Taylor, and Waldstreicher**

Introduced and read first time: February 6, 2007

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Imagination Stage**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,250,000,
4 the proceeds to be used as a grant to the Board of Trustees of Imagination Stage
5 for certain development or improvement purposes; providing for disbursement
6 of the loan proceeds, subject to a requirement that the grantee provide and
7 expend a matching fund; establishing a deadline for the encumbrance or
8 expenditure of the loan proceeds; and providing generally for the issuance and
9 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 – Imagination Stage Loan of 2007 in a total principal amount equal to the
15 lesser of (i) \$1,250,000 or (ii) the amount of the matching fund provided in accordance
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
17 delivery of State general obligation bonds authorized by a resolution of the Board of
18 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.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes, including any applicable
9 architects' and engineers' fees: as a grant to the Board of Trustees of Imagination
10 Stage (referred to hereafter in this Act as "the grantee") for the planning, design,
11 construction, reconstruction, capital equipping, and repair of Imagination Stage,
12 located in Bethesda.

13 (4) An annual State tax is imposed on all assessable property in the State in
14 rate and amount sufficient to pay the principal of and interest on the bonds as and
15 when due and until paid in full. The principal shall be discharged within 15 years
16 after the date of issuance of the bonds.

17 (5) Prior to the payment of any funds under the provisions of this Act for the
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
19 matching fund. No part of the grantee's matching fund may be provided,
20 either directly or indirectly, from funds of the State, whether appropriated or
21 unappropriated. No part of the fund may consist of real property or in kind
22 contributions. The fund may consist of funds expended prior to the effective date of
23 this Act, including funds expended on or after January 1, 2002. In case of any dispute
24 as to the amount of the matching fund or what money or assets may qualify as
25 matching funds, the Board of Public Works shall determine the matter and the
26 Board's decision is final. The grantee has until June 1, 2009, to present evidence
27 satisfactory to the Board of Public Works that a matching fund will be provided. If
28 satisfactory evidence is presented, the Board shall certify this fact and the amount of
29 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
30 amount of the matching fund shall be expended for the purposes provided in this Act.
31 Any amount of the loan in excess of the amount of the matching fund certified by the
32 Board of Public Works shall be canceled and be of no further effect.

33 (6) The proceeds of the loan must be expended or encumbered by the Board
34 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
36 the amount of the unencumbered or unexpended authorization shall be canceled and
37 be of no further effect. If bonds have been issued for the loan, the amount of
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in
39 § 8–129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2007.