

# SENATE BILL 510

B2

71r2228  
CF 71r2223

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By: **Senators Frosh, Forehand, Garagiola, Hogan, Kramer, Lenett, Madaleno, and Raskin**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

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## 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.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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