

# SENATE BILL 608

B2

71r2398  
CF 71r2064

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By: **Senator Forehand**

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 – Gaithersburg Regional**  
3 **Aquatic Recreation Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,  
5 the proceeds to be used as a grant to the Mayor and City Council of the City of  
6 Gaithersburg for certain development or improvement purposes; providing for  
7 disbursement of the loan proceeds, subject to a requirement that the grantee  
8 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 – Gaithersburg Regional Aquatic Recreation Center Loan of 2007 in a total  
16 principal amount equal to the lesser of (i) \$1,000,000 or (ii) the amount of the  
17 matching fund provided in accordance with Section 1(5) below. This loan shall be  
18 evidenced by the issuance, sale, and delivery of State general obligation bonds  
19 authorized by a resolution of the Board of Public Works and issued, sold, and delivered  
20 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement  
21 Article and Article 31, § 22 of the Code.

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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 Mayor and City Council of the City of  
10 Gaithersburg (referred to hereafter in this Act as "the grantee") for the design,  
11 construction, and capital equipping of the Gaithersburg Regional Aquatic Recreation  
12 Center, located in the City of Gaithersburg.

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

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