

# SENATE BILL 547

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CF HB 601

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By: **Senator Forehand**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Rockville Old Post Office**  
3 **Renovation**

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 Mayor and City Council of the City of  
6 Rockville 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; requiring the grantee to grant and convey  
9 a certain easement to the Maryland Historical Trust; establishing a deadline for  
10 the encumbrance or expenditure of the loan proceeds; and providing generally  
11 for the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Montgomery  
16 County – Rockville Old Post Office Renovation Loan of 2008 in a total principal  
17 amount equal to the lesser of (i) \$750,000 or (ii) the amount of the matching fund  
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
19 issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

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

26 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
27 and first shall be applied to the payment of the expenses of issuing, selling, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Mayor and City Council of the City of  
5 Rockville (referred to hereafter in this Act as "the grantee") for the design,  
6 construction, and renovation of the Rockville Old Post Office, located in Rockville.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the  
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
13 matching fund. No part of the grantee's matching fund may be provided, either  
14 directly or indirectly, from funds of the State, whether appropriated or  
15 unappropriated. No part of the fund may consist of real property, in kind  
16 contributions, or funds expended prior to the effective date of this Act. In case of any  
17 dispute as to the amount of the matching fund or what money or assets may qualify as  
18 matching funds, the Board of Public Works shall determine the matter and the  
19 Board's decision is final. The grantee has until June 1, 2010, to present evidence  
20 satisfactory to the Board of Public Works that a matching fund will be provided. If  
21 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
22 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
23 amount of the matching fund shall be expended for the purposes provided in this Act.  
24 Any amount of the loan in excess of the amount of the matching fund certified by the  
25 Board of Public Works shall be canceled and be of no further effect.

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

29 (i) On the land or such portion of the land acceptable to the  
30 Trust; and

31 (ii) On the exterior and interior, where appropriate, of the  
32 historic structures.

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

35 (c) The easement must be in form and substance acceptable to the  
36 Trust and any liens or encumbrances against the land or the structures must be  
37 acceptable to the Trust.

38 (7) The proceeds of the loan must be expended or encumbered by the Board  
39 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any  
40 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,

1 the amount of the unencumbered or unexpended authorization shall be canceled and  
2 be of no further effect. If bonds have been issued for the loan, the amount of  
3 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
4 § 8-129 of the State Finance and Procurement Article.

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 June 1, 2008.