

SENATE BILL 948

B2

8lr3425

By: **Senator Middleton**

Introduced and read first time: February 25, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Charles County – Indian Head Center for the Arts**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$50,000, the
4 proceeds to be used as a grant to the Board of Directors of Chesapeake Bay
5 Floating Theatre, Inc. 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; establishing a deadline for the
8 encumbrance or expenditure of the loan proceeds; and providing generally for
9 the issuance and 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 Charles
14 County – Indian Head Center for the Arts Loan of 2008 in a total principal amount
15 equal to the lesser of (i) \$50,000 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board
18 of 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.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 architects' and engineers' fees: as a grant to the Board of Directors of Chesapeake Bay
2 Floating Theatre, Inc. (referred to hereafter in this Act as "the grantee") for the design,
3 repair, renovation, and capital equipping of the upper floor of the Indian Head Center
4 for the Arts, located in Indian Head.

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

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

24 (6) The proceeds of the loan must be expended or encumbered by the Board
25 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
26 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
27 the amount of the unencumbered or unexpended authorization shall be canceled and
28 be of no further effect. If bonds have been issued for the loan, the amount of
29 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
30 8-129 of the State Finance and Procurement Article.

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