

SENATE BILL 311

B2

9lr1764
CF HB 133

By: **Senators Kramer, Forehand, Frosh, King, Lenett, and Madaleno**

Introduced and read first time: January 28, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Renovation of “Falling**
3 **Green” at OBG Park**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
5 the proceeds to be used as a grant to the Board of Directors of the Olney Boys
6 and Girls Community Sports Association, Inc. for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 requiring the grantee to grant and convey a certain easement to the Maryland
10 Historical Trust; establishing a deadline for the encumbrance or expenditure of
11 the loan proceeds; and providing generally for the issuance and sale of bonds
12 evidencing the loan.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Montgomery
17 County – Renovation of “Falling Green” at OBG Park Loan of 2009 in a total
18 principal amount equal to the lesser of (i) \$500,000 or (ii) the amount of the matching
19 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by
20 the issuance, sale, and delivery of State general obligation bonds authorized by a
21 resolution of the Board of Public Works and issued, sold, and delivered in accordance
22 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and
23 Article 31, § 22 of the Code.

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

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 Directors of the Olney Boys
7 and Girls Community Sports Association, Inc. (referred to hereafter in this Act as "the
8 grantee") for the construction, repair, and renovation of the historic "Falling Green",
9 including related infrastructure improvements, at the Olney Boys and Girls
10 Community Park, located in Olney.

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

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund. No part of the grantee's matching fund may be provided, either
18 directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. The fund may consist of real property, in kind contributions, or funds
20 expended prior to the effective date of this Act. In case of any dispute as to the amount
21 of the matching fund or what money or assets may qualify as matching funds, the
22 Board of Public Works shall determine the matter and the Board's decision is final.
23 The grantee has until June 1, 2011, to present evidence satisfactory to the Board of
24 Public Works that a matching fund will be provided. If satisfactory evidence is
25 presented, the Board shall certify this fact and the amount of the matching fund to the
26 State Treasurer, and the proceeds of the loan equal to the amount of the matching
27 fund shall be expended for the purposes provided in this Act. Any amount of the loan
28 in excess of the amount of the matching fund certified by the Board of Public Works
29 shall be canceled and be of no further effect.

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

33 (i) On the land or such portion of the land acceptable to the
34 Trust; and

35 (ii) On the exterior and interior, where appropriate, of the
36 historic structures.

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

39 (c) The easement must be in form and substance acceptable to the
40 Trust and any liens or encumbrances against the land or the structures must be
41 acceptable to the Trust.

1 (7) The proceeds of the loan must be expended or encumbered by the Board
2 of Public Works for the purposes provided in this Act no later than June 1, 2016. If any
3 funds authorized by this Act remain unexpended or unencumbered after June 1, 2016,
4 the amount of the unencumbered or unexpended authorization shall be canceled and
5 be of no further effect. If bonds have been issued for the loan, the amount of
6 unexpended or unencumbered bond proceeds shall be disposed of as provided in
7 § 8-129 of the State Finance and Procurement Article.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2009.