

# SENATE BILL 280

B2

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CF 11r1770

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By: **Senators Montgomery, Forehand, Garagiola, King, and Manno**

Introduced and read first time: January 31, 2011

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Olney Theatre Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,  
4 the proceeds to be used as a grant to the Board of Directors of the Olney Theatre  
5 Center for the Arts, 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 Montgomery  
14 County – Olney Theatre Center Loan of 2011 in a total principal amount equal to the  
15 lesser of (i) \$500,000 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.

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

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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 the Olney  
2 Theatre Center for the Arts, Inc. (referred to hereafter in this Act as "the grantee") for  
3 the construction of the main stage building at the Olney Theatre Center, located in  
4 Olney.

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 in kind  
14 contributions. The fund may consist of funds expended prior to the effective date of  
15 this Act. In case of any dispute as to the amount of the matching fund or what money  
16 or assets may qualify as matching funds, the Board of Public Works shall determine  
17 the matter and the Board's decision is final. The grantee has until June 1, 2013, to  
18 present evidence satisfactory to the Board of Public Works that a matching fund will  
19 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
20 the 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, 2018. If any  
26 funds authorized by this Act remain unexpended or unencumbered after June 1, 2018,  
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, 2011.