

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1085 (Senator Montgomery)
Budget and Taxation

Maryland Consolidated Capital Bond Loan of 2011 - Montgomery County - Olney Theatre

This bill authorizes the Board of Directors of the Olney Theatre Center for the Arts, Inc. to include funds expended on or after January 1, 2004, as matching funds for the Olney Theatre Center project, as specified in the Maryland Consolidated Capital Bond Loan of 2011.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not directly affect the finances or operations of Montgomery County.

Small Business Effect: None.

Analysis

Current Law: Chapter 396 of 2011 authorized up to \$150,000 in matching funds to the Board of Directors of the Olney Theatre Center for the Arts, Inc., as grantee, for the construction of the main stage building at the Olney Theatre Center, located in Olney. The matching fund may consist of funds expended prior to June 1, 2011. The funds must be encumbered by the Board of Public Works or expended by the grantee by December 1, 2014.

Chapter 485 of 2009 authorized up to \$150,000 to the Board of Directors of the Olney Theatre Center for the Arts, Inc. for the acquisition, construction, and capital equipping of the Olney Theatre Center for the Arts. Matching funds may consist of real property, in kind contributions, or funds expended prior to June 1, 2009.

Chapter 46 of 2006 authorized up to \$250,000 to the Board of Directors of the Olney Theatre Center for the Arts, Inc. for the acquisition, construction, and capital equipping of the Olney Theatre Center for the Arts.

Chapter 290 of 2002 provided a grant of up to \$500,000 to the County Executive and County Council of Montgomery County to assist in the acquisition, design, construction, renovation, and capital equipping of the Olney Theatre.

Background: The Olney Theatre Center is a professional, regional theatre in Montgomery County. The campus consists of four theatrical venues, including the Mainstage Theatre. Constructed in 2005, the Mainstage Theatre includes a 429-seat theatre; a lounge; and an open hall for rehearsals, meetings, and rentals. Funds were sought in 2011 to assist with the recapitalization of the Mainstage Theatre to reduce debt created by the project.

According to the Department of General Services, State bond bill awards are only provided to pay for eligible capital expenditures. Authorizing legislation may allow prior year expenditures to be used as matching funds. However, current policy requires that such expenditures must have been made within the previous two years. Because capital expenditures for the Mainstage Theatre were completed in 2005, Olney Theatre is unable to use prior year capital expenditures as matching funds for this award. The bill allows prior year capital expenditures made since January 1, 2004, to be used to satisfy the matching requirement.

Additional Information

Prior Introductions: None.

Cross File: HB 1433 (Delegate Zucker, *et al.*) - Appropriations.

Information Source(s): Montgomery County; Department of General Services; Olney Theatre Center for the Arts, Inc.; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2012
mc/ljm

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