

SENATE BILL 563

B2

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CF 4lr2481

By: **Senators Madaleno, Feldman, Forehand, Frosh, King, Manno,
Montgomery, and Raskin**

Introduced and read first time: January 29, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Strathmore Hall Addition**
3 **and Mansion Repairs**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$3,500,000, the proceeds to be used as a grant to the Board of Directors of the
6 Strathmore Hall Foundation, Inc. for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; establishing
9 a deadline for the encumbrance or expenditure of the loan proceeds; and
10 providing generally for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Montgomery
15 County – Strathmore Hall Addition and Mansion Repairs Loan of 2014 in the total
16 principal amount of \$3,500,000. 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 and 8–131.2 of the State Finance and Procurement Article.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant to the Board of Directors of the Strathmore
3 Hall Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
4 acquisition, planning, design, construction, repair, renovation, reconstruction, and
5 capital equipping of the Strathmore Mansion and an addition to Strathmore Hall,
6 located in Montgomery County.

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 of \$1,500,000. No part of the grantee's matching fund may be provided,
14 either 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, 2016, 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 to the State
22 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in
23 this Act.

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, 2021. If any
26 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
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, 2014.