

HOUSE BILL 455

Unofficial Copy
B2

1998 Regular Session
(8r1178)

ENROLLED BILL
-- Appropriations/Budget and Taxation --

Introduced by **Delegates Barve, Kagan, and Gordon**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Kentlands Cultural Arts**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$750,000~~
5 ~~\$300,000~~ \$50,000, the proceeds to be used as a grant to the Mayor and City
6 Council of Gaithersburg for certain acquisition, 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; and
9 providing generally for 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 - Kentlands Cultural Arts Center Loan of 1998 in a total principal amount
15 equal to the lesser of (i) ~~\$750,000~~ ~~\$300,000~~ \$50,000 or (ii) the amount of the matching
16 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by

1 the issuance, sale, and delivery of State general obligation bonds authorized by a
2 resolution of the Board of Public Works and issued, sold, and delivered in accordance
3 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
4 Article 31, § 22 of the Code.

5 (2) The bonds to evidence this loan or installments of this loan may be sold as
6 a single issue or may be consolidated and sold as part of a single issue of bonds under
7 § 8-122 of the State Finance and Procurement Article.

8 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
9 and first shall be applied to the payment of the expenses of issuing, selling, and
10 delivering the bonds, unless funds for this purpose are otherwise provided, and then
11 shall be credited on the books of the Comptroller and expended, on approval by the
12 Board of Public Works, for the following public purposes, including any applicable
13 architects' and engineers' fees: as a grant to the Mayor and City Council of
14 Gaithersburg (referred to hereafter in this Act as "the grantee") for the repair,
15 renovation, expansion, reconstruction, construction, and capital equipping of the
16 Kentlands Barn, located on the Kentlands Mansion property, to be known as the
17 Kentlands Cultural Arts Center and, with space allocated for an artist-in-residence
18 program, instruction in the arts, dance and drama classes, theatrical performances,
19 meetings, a gallery, and classrooms.

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

24 (5) Prior to the payment of any funds under the provisions of this Act for the
25 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
26 matching fund. No part of the grantee's matching fund may be provided, either
27 directly or indirectly, from funds of the State, whether appropriated or
28 unappropriated. No part of the fund may consist of real property, in kind
29 contributions, or funds expended prior to the effective date of this Act. In case of any
30 dispute as to the amount of the matching fund or what money or assets may qualify
31 as matching funds, the Board of Public Works shall determine the matter and the
32 Board's decision is final. The grantee has until June 1, 2000, to present evidence
33 satisfactory to the Board of Public Works that a matching fund will be provided. If
34 satisfactory evidence is presented, the Board shall certify this fact and the amount of
35 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
36 amount of the matching fund shall be expended for the purposes provided in this Act.
37 Any amount of the loan in excess of the amount of the matching fund certified by the
38 Board of Public Works shall be canceled and be of no further effect.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
40 June 1, 1998.

