

## CHAPTER 692

## (House Bill 455)

AN ACT concerning

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

FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$750,000~~ ~~\$300,000~~ ~~\$50,000~~, the proceeds to be used as a grant to the Mayor and City Council of Gaithersburg for certain acquisition, development, or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Montgomery County - Kentlands Cultural Arts Center Loan of 1998 in a total principal amount equal to the lesser of (i) ~~\$750,000~~ ~~\$300,000~~ ~~\$50,000~~ or (ii) the amount of the matching fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

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