

SENATE BILL 759

B2

4r1200
CF HB 753

By: **Senator Colburn**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Talbot County – Oyster House Project**

3 FOR the purpose of authorizing the creation of a State Debt in the amount of
4 \$100,000, the proceeds to be used as a grant to the Board of Directors of the
5 Phillips Wharf Environmental Center, Inc. for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 establishing a deadline for the encumbrance or expenditure of the loan
9 proceeds; and providing generally for the issuance and sale of bonds evidencing
10 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 Talbot County
15 – Oyster House Project Loan of 2014 in the total principal amount of \$100,000. This
16 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
17 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
18 delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance
19 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
27 Board of Public Works, for the following public purposes, including any applicable

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 Phillips
2 Wharf Environmental Center, Inc. (referred to hereafter in this Act as "the grantee")
3 for the acquisition, planning, design, construction, repair, renovation, reconstruction,
4 and capital equipping of the Oyster House, located in Talbot County.

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 of \$50,000. No part of the grantee's matching fund may be provided,
12 either directly or indirectly, from funds of the State, whether appropriated or
13 unappropriated. No part of the fund may consist of real property, in kind
14 contributions, or funds expended prior to the effective date of this Act. In case of any
15 dispute as to the amount of the matching fund or what money or assets may qualify as
16 matching funds, the Board of Public Works shall determine the matter and the
17 Board's decision is final. The grantee has until June 1, 2016, to present evidence
18 satisfactory to the Board of Public Works that a matching fund will be provided. If
19 satisfactory evidence is presented, the Board shall certify this fact to the State
20 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in
21 this Act.

22 (6) The proceeds of the loan must be expended or encumbered by the Board
23 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any
24 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,
25 the amount of the unencumbered or unexpended authorization shall be canceled and
26 be of no further effect. If bonds have been issued for the loan, the amount of
27 unexpended or unencumbered bond proceeds shall be disposed of as provided in
28 § 8-129 of the State Finance and Procurement Article.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 2014.