
By: Delegate Owings

Introduced and read first time: February 9, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Rose Haven and HollandPoint Water**
3 **Systems**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,700,000,
5 the proceeds to be used as a grant to the County Executive and County Council of
6 Anne Arundel County for certain acquisition, development, or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a requirement
8 that the grantee provide and expend a matching fund; establishing authority over
9 and responsibility for the established projects; and providing generally for the
10 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 Anne Arundel
15 County - Rose Haven and Holland Point Water Systems Loan of 1996 in a total principal
16 amount equal to the lesser of (i) \$1,700,000 or (ii) the amount of the matching fund
17 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
18 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of
19 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the
21 Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as a
23 single issue or may be consolidated and sold as part of a single issue of bonds under §
24 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
26 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
28 the books of the Comptroller and expended, on approval by the Board of Public Works,
29 for the following public purposes, including any applicable architects' and engineers' fees:
30 as a grant to the County Executive and County Council of Anne Arundel County
31 (referred to hereafter in this Act as "the grantee") for the costs associated with the laying
32 of water lines, together with all necessary equipment and associated facilities, that will
33 serve the communities of Rose Haven and Holland Point, this project to be done at the

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1 same time that the sewer lines are laid for these two communities, thus saving public
2 funds and assisting in maintaining and enhancing the environmental quality of the area.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
9 fund. No part of the grantee's matching fund may be provided, either directly or
10 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
11 the fund may consist of real property, in kind contributions, or funds expended prior to
12 the effective date of this Act. In case of any dispute as to the amount of the matching
13 fund or what money or assets may qualify as matching funds, the Board of Public Works
14 shall determine the matter and the Board's decision is final. The grantee has until June 1,
15 1998, to present evidence satisfactory to the Board of Public Works that a matching fund
16 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
17 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
18 equal to the amount of the matching fund shall be expended for the purposes provided in
19 this Act. Any amount of the loan in excess of the amount of the matching fund certified
20 by the Board of Public Works shall be canceled and be of no further effect.

21 (6) The County Executive and County Council of Anne Arundel County shall
22 have authority over and take responsibility for the water systems in the two communities
23 of Rose Haven and Holland Point.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 1996.