
By: Allegany County Delegation

Introduced and read first time: February 27, 1997

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 Creation of a State Debt - Allegany County - Flood Damaged Facilities

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000, the
4 proceeds to be used as a grant to the County Commissioners of Allegany County for
5 certain acquisition, development, or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; and providing generally for the issuance and
8 sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness
12 on behalf of the State of Maryland through a State loan to be known as the Allegany
13 County - Flood Damaged Facilities Loan of 1997 in a total principal amount equal to the
14 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance with
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
16 State general obligation bonds authorized by a resolution of the Board of Public Works
17 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 Finance and Procurement Article and Article 31, § 22 of the Code.

19 (2) The bonds to evidence this loan or installments of this loan may be sold
20 as a single issue or may be consolidated and sold as part of a single issue of bonds under
21 § 8-122 of the State Finance and Procurement Article.

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
23 and first shall be applied to the payment of the expenses of issuing, selling, and delivering
24 the bonds, unless funds for this purpose are otherwise provided, and then shall be
25 credited on the books of the Comptroller and expended, on approval by the Board of
26 Public Works, for the following public purposes, including any applicable architects' and
27 engineers' fees: as a grant to the County Commissioners of Allegany County (referred to
28 hereafter in this Act as "the grantee") for the planning, design, repair, renovation, and
29 reconstruction of facilities and structures damaged by recent floods in Allegany County,
30 and for the planning, design, and construction of new structures and facilities that will
31 provide future flood protection, the project to include stream bank stabilization and
32 associated site and infrastructure work.

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

5 (5) Prior to the payment of any funds under the provisions of this Act for
6 the purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund. No part of the grantee's matching fund may be provided, either directly or
8 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
9 the fund may consist of real property, in kind contributions, or funds expended prior to
10 the effective date of this Act. In case of any dispute as to the amount of the matching
11 fund or what money or assets may qualify as matching funds, the Board of Public Works
12 shall determine the matter and the Board's decision is final. The grantee has until June 1,
13 1999, to present evidence satisfactory to the Board of Public Works that a matching fund
14 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
15 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
16 equal to the amount of the matching fund shall be expended for the purposes provided in
17 this Act. Any amount of the loan in excess of the amount of the matching fund certified
18 by the Board of Public Works shall be canceled and be of no further effect.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 June 1, 1997.