

CF 7r1170

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**By: Senator Baker**

Introduced and read first time: January 22, 1997

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

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## CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Kent County - Town of Chestertown Promenade and**  
3 **Boardwalk**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$150,000~~  
5 \$100,000, the proceeds to be used as a grant to the Mayor and Council of the Town  
6 of Chestertown, Maryland 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; and providing generally for  
9 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 Kent County -  
14 Town of Chestertown Promenade and Boardwalk Loan of 1997 in a total principal  
15 amount equal to the lesser of (i) ~~\$150,000~~ \$100,000 or (ii) the amount of the matching  
16 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by the  
17 issuance, sale, and delivery of State general obligation bonds authorized by a resolution of  
18 the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117  
19 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the  
20 Code.

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

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
25 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
26 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,  
2 for the following public purposes, including any applicable architects' and engineers' fees:  
3 as a grant to the Mayor and Council of the Town of Chestertown, Maryland (referred to  
4 hereafter in this Act as "the grantee") for the planning, design, and construction of a  
5 promenade and boardwalk along the Chester River in Chestertown.

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

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

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