

SENATE BILL 558

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B2

1998 Regular Session  
8r2208  
CF 8r1828

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By: **Senator Baker**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Queen Anne's County - Prospect Bay**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$2,000,000,  
4 the proceeds to be used as a grant to the Board of County Commissioners of  
5 Queen Anne's County for certain acquisition, development, or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a  
7 requirement that the grantee provide and expend a matching fund; and  
8 providing generally for the issuance and 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 on  
12 behalf of the State of Maryland through a State loan to be known as the Queen Anne's  
13 County - Prospect Bay Loan of 1998 in a total principal amount equal to the lesser of  
14 (i) \$2,000,000 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  
17 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of  
18 the State 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 as  
20 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  
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
25 shall be credited on the books of the Comptroller and expended, on approval by the  
26 Board of Public Works, for the following public purposes, including any applicable  
27 architects' and engineers' fees: as a grant to the Board of County Commissioners of  
28 Queen Anne's County (referred to hereafter in this Act as "the grantee") for the  
29 planning, design, and construction of sewer improvements in the community known  
30 as Prospect Bay.

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  
3 when due and until paid in full. The principal shall be discharged within 15 years  
4 after the date of issuance of the bonds.

5 (5) Prior to the payment of any funds under the provisions of this Act for the  
6 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  
8 directly or indirectly, from funds of the State, whether appropriated or  
9 unappropriated. No part of the fund may consist of real property, in kind  
10 contributions, or funds expended prior to the effective date of this Act. In case of any  
11 dispute as to the amount of the matching fund or what money or assets may qualify  
12 as matching funds, the Board of Public Works shall determine the matter and the  
13 Board's decision is final. The grantee has until June 1, 2000, to present evidence  
14 satisfactory to the Board of Public Works that a matching fund will be provided. If  
15 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
16 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
17 amount of the matching fund shall be expended for the purposes provided in this Act.  
18 Any amount of the loan in excess of the amount of the matching fund certified by the  
19 Board of Public Works shall be canceled and be of no further effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 June 1, 1998.