

SENATE BILL 789

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1998 Regular Session
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CF HB 1269

By: ~~Senator Stoltzfus~~ **Senators Stoltzfus, Baker, and Colburn**
Constitutional Requirements Complied with for Introduction in the last 35 Days of
Session
Introduced and read first time: March 11, 1998
Rule 32 suspended
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Caroline, Cecil, Dorchester, Kent, Queen Anne's,**
3 **Somerset, Talbot, Wicomico, and Worcester Counties - Dry Hydrant System**

4 FOR the purpose of authorizing the creation of a State Debt ~~in the amount of~~
5 ~~\$100,000~~ not to exceed \$50,000, the proceeds to be used as a grant to the
6 Delmarva Advisory Council for certain acquisition, development, or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund; and
9 providing generally for 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 Caroline,
14 Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester
15 Counties - Dry Hydrant System Loan of 1998 ~~in the total principal amount of~~
16 ~~\$100,000~~ a total principal amount equal to the lesser of (i) \$50,000 or (ii) the amount
17 of the matching fund provided in accordance with Section 1(5) below. This loan shall
18 be evidenced by the issuance, sale, and delivery of State general obligation bonds
19 authorized by a resolution of the Board of Public Works and issued, sold, and
20 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
21 Procurement Article and Article 31, § 22 of the Code.

1 (2) The bonds to evidence this loan or installments of this loan may be sold as
2 a single issue or may be consolidated and sold as part of a single issue of bonds under
3 § 8-122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes, including any applicable
9 architects' and engineers' fees: as a grant to the Delmarva Advisory Council (referred
10 to hereafter in this Act as "the grantee") for the planning, design, and construction, in
11 cooperation with the Maryland Forest Service, of a dry hydrant system for fire service
12 in rural areas of Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot,
13 Wicomico, and Worcester Counties.

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

18 (5) Prior to the payment of any funds under the provisions of this Act for the
19 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
20 matching fund. No part of the grantee's matching fund may be provided, either
21 directly or indirectly, from funds of the State, whether appropriated or
22 unappropriated. No part of the fund may consist of real property, in kind
23 contributions, or funds expended prior to the effective date of this Act. In case of any
24 dispute as to the amount of the matching fund or what money or assets may qualify
25 as matching funds, the Board of Public Works shall determine the matter and the
26 Board's decision is final. The grantee has until June 1, 2000, to present evidence
27 satisfactory to the Board of Public Works that a matching fund will be provided. If
28 satisfactory evidence is presented, the Board shall certify this fact and the amount of
29 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
30 amount of the matching fund shall be expended for the purposes provided in this Act.
31 Any amount of the loan in excess of the amount of the matching fund certified by the
32 Board of Public Works shall be canceled and be of no further effect.

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