
By: **Senator Ruben**
Constitutional Requirements Complied with for Introduction in the last 35 Days of
Session
Introduced and read first time: March 18, 1998
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Shore Erosion Control Construction Loan Fund**

3 FOR the purpose of providing that the Department of Natural Resources shall take
4 certain actions relating to certain shore erosion control projects; providing that
5 the Shore Erosion Control Construction Loan Fund may be used to fund certain
6 shore erosion control projects; and generally relating to shore erosion control
7 projects and funding.

8 BY repealing and reenacting, with amendments,
9 Article - Natural Resources
10 Section 8-1002(4) through (6) and 8-1005(a)
11 Annotated Code of Maryland
12 (1990 Replacement Volume and 1997 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Natural Resources**

16 8-1002.

17 The Department shall:

18 (4) Design or cause to be designed shore erosion control [structures]
19 PROJECTS, including vegetative cover, in shore erosion control districts;

20 (5) Enter into agreements with any person to construct shore erosion
21 control [structures] PROJECTS;

22 (6) Administer the Fund to provide loans to any person in support of
23 construction of shore erosion control [structures] PROJECTS;

1 8-1005.

2 (a) (1) There is a "Shore Erosion Control Construction Loan Fund." The
3 Department shall administer the Fund to provide interest-free loans to persons,
4 municipalities, or counties for design and construction of shore erosion [structures]
5 CONTROL PROJECTS. The Fund shall be maintained by:

6 (i) Repayments of principal on loans made from the Fund, with the
7 repayments made through a benefit charge the State levies on privately owned
8 property benefited by shore erosion control projects. The benefit charge shall
9 compensate the State for net project construction cost. The benefit charge shall be
10 levied at a uniform rate over a period not exceeding 25 years;

11 (ii) Repayment of administrative costs under § 8-1004 of this
12 subtitle; and

13 (iii) Annual appropriation of general funds to restore the Fund to a
14 level sufficient to carry out an effective shore erosion control construction loan
15 program during the succeeding year.

16 (2) A property owner whose project is approved is eligible to receive an
17 interest-free loan covering 100% of the first \$60,000 of project construction cost, 50%
18 of the next \$20,000 of project construction cost, 25% of the next \$20,000 of project
19 construction cost, and 10% of the part of construction cost exceeding \$100,000.
20 However, where 2 or more property owners are included within a shore erosion
21 control project, the land of each property owner is considered a separate shore erosion
22 project for the purpose of computing net project construction cost under this formula.

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