

SENATE BILL 19

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B2

1999 Regular Session
9lr0504
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(PRE-FILED)

By: **Senator Jimeno**
Requested: November 19, 1998
Introduced and read first time: January 13, 1999
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Anne Arundel County - Waterway Improvement**
3 **Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
5 the proceeds to be used as a grant to the County Executive and County Council
6 of Anne Arundel County for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 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 Anne Arundel
14 County - Waterway Improvement Project Loan of 1999 in a total principal amount
15 equal to the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided
16 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,
17 sale, and delivery of State general obligation bonds authorized by a resolution of the
18 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
20 the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a 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
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the County Executive and County Council
30 of Anne Arundel County (referred to hereafter in this Act as "the grantee") for the
31 purpose of providing funds, on an installment basis, for the Waterway Improvement

1 Project of Anne Arundel County, including dredging operations, sediment removal,
 2 structural and nonstructural improvements, stream and river bank reconstruction,
 3 revegetation, erosion control, and the acquisition of property and capital equipment
 4 for the projects.

5 The following segments of the Waterway Improvement Project of Anne Arundel
 6 County shall qualify for the proceeds of the bonds. Segments 1 through 5 may qualify
 7 for funding before the effective date of this Act. The proceeds of the bonds for
 8 segments 1 through 5 shall be available after June 1, 1999.

9 The amount specified for each segment and the completion date for each
 10 segment are estimates only. The amount and completion date for a project are subject
 11 to change as the scope of a project is made final and an award is made for
 12 construction or other development of the project.

13 Segment of Waterway	Estimated	Estimated
14 Improvement Project	Amount	Completion
15		Date
16 1. Cockey Creek Dredging	\$347,000	2/28/99
17 2. Mathias Cove Dredging	\$160,000	2/28/99
18 3. Black Creek/Bahama Beach	\$100,000	2/28/99
19 4. Almshouse Creek	\$100,000	2/28/99
20 5. Unnamed Cover on the Magothy River	\$21,000	2/28/99
21 6. Rockhold Creek Jetty Study	\$100,000	1/01/00
22 7. Larkington Cove Dredging	\$41,000	2/28/00
23 8. Cornfield Creek Dredging	\$267,000	2/28/00
24 9. Parker Creek Dredging	\$197,000	2/28/00
25 10. Magothy River Headwater	\$100,000	2/28/01
26 11. Mill Creek Headwater	\$261,000	2/28/01
27 12. Cypress Creek Dredging	\$396,000	2/28/01
28 13. Forked Creek Dredging	\$102,000	2/28/01
29 14. Gray's Creek Dredging	\$347,000	2/28/01
30 15. Locust Cove Dredging	\$266,000	2/28/01

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

35 (5) (a) The grantee shall provide and expend a matching fund.

36 (b) No part of the grantee's matching fund may be provided, either
 37 directly or indirectly, from funds of the State, whether appropriated or
 38 unappropriated. No part of the fund may consist of real property or in kind
 39 contributions. Notwithstanding any other provision of law, the matching fund may
 40 consist of funds expended prior to the effective date of this Act for a segment of the
 41 Waterway Improvement Project of Anne Arundel County. In case of any dispute as to

1 the amount of the matching fund or what money or assets may qualify as matching
2 funds, the Board of Public Works shall determine the matter and the Board's decision
3 is final.

4 (c) The grantee shall present evidence satisfactory to the Board of Public
5 Works of the provision and expenditure of the matching fund. The Board shall certify
6 this fact and the amount of the matching fund to the State Treasurer. The Board of
7 Public Works shall disburse the proceeds of the grant under the provisions of this Act
8 for the purposes and in the manner set forth in Section 1(3) above. Both the
9 presentation of evidence and the disbursement of the proceeds shall be done in
10 installments for the segments of the Waterway Improvement Project of Anne Arundel
11 County.

12 (d) As the grantee provides and expends an installment of the matching
13 fund, the Board of Public Works shall disburse an installment of the proceeds of the
14 grant equal to the portion of the matching fund presented at that time by the grantee.

15 (e) Each installment of the matching fund shall be at least \$500,000.

16 (f) This method of presentation of the matching fund in installments and
17 of the disbursement of the proceeds of the loan in installments that are equal to each
18 presentation of the matching fund shall continue until the first to occur of the
19 disbursement of the total amount of the grant or June 1, 2001.

20 (g) The grantee has until June 1, 2001, to present the final evidence
21 satisfactory to the Board of Public Works that the total matching fund will be
22 provided. If satisfactory evidence is presented, the Board shall certify this fact, the
23 amount of the final installment of the matching fund, and the amount of the total
24 matching fund to the State Treasurer, and the final proceeds of the loan equal to the
25 final installment of the matching fund shall be expended for the purposes provided in
26 this Act. After June 1, 2001, any amount of the loan in excess of the amount of the
27 matching fund certified by the Board of Public Works shall be canceled and be of no
28 further effect.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 1999.