

SENATE BILL 631

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B2

2000 Regular Session
0lr2732
CF 0lr2730

By: **Senator Hafer**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Allegany County - Western Maryland Scenic**
3 **Railroad**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$186,500,
5 the proceeds to be used as a grant to the Board of Directors of Western Maryland
6 Scenic Railroad Development Corporation for certain 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 Allegany
14 County - Western Maryland Scenic Railroad Loan of 2000 in a total principal amount
15 equal to the lesser of (i) \$186,500 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
19 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the Board of Directors of Western
29 Maryland Scenic Railroad Development Corporation (referred to hereafter in this Act
30 as "the grantee") for the acquisition of a turntable for, and the repair, reconstruction,
31 and renovation of a steam engine and passenger cars for, the Western Maryland
32 Scenic Railroad, based in Cumberland, Allegany County, Maryland.

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. The fund may
10 consist of in kind contributions, including computer and radio equipment, or funds
11 expended prior to the effective date of this Act. In case of any dispute as to the amount
12 of the matching fund or what money or assets may qualify as matching funds, the
13 Board of Public Works shall determine the matter and the Board's decision is final.
14 The grantee has until June 1, 2002, to present evidence satisfactory to the Board of
15 Public Works that a matching fund will be provided. If satisfactory evidence is
16 presented, the Board shall certify this fact and the amount of the matching fund to
17 the State Treasurer, and the proceeds of the loan equal to the amount of the matching
18 fund shall be expended for the purposes provided in this Act. Any amount of the loan
19 in excess of the amount of the matching fund certified by the Board of Public Works
20 shall be canceled and be of no further effect.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2000.