

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2000

CHAPTER _____

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 \$175,000, the proceeds to be used as a grant to the Board of Directors of Western
6 Maryland 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~~ \$175,000 or (ii) the amount of the matching fund
16 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
17 issuance, sale, and delivery of State general obligation bonds authorized by a
18 resolution of the Board of Public Works and issued, sold, and delivered in accordance
19 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
20 Article 31, § 22 of 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

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to the Board of Directors of Western
5 Maryland Scenic Railroad Development Corporation (referred to hereafter in this Act
6 as "the grantee") for the acquisition of land and a turntable for, and the repair,
7 reconstruction, and renovation of a steam engine, diesel engines, and passenger cars
8 for, the Western Maryland Scenic Railroad, based in Cumberland, Allegany County,
9 Maryland.

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

14 (5) Prior to the payment of any funds under the provisions of this Act for the
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
16 matching fund. No part of the grantee's matching fund may be provided, either
17 directly or indirectly, from funds of the State, whether appropriated or
18 unappropriated. ~~No part of the fund may consist of real property.~~ The fund may
19 consist of in kind contributions, ~~including computer and radio equipment~~ real
20 property, or funds expended prior to the effective date of this Act. In case of any
21 dispute as to the amount of the matching fund or what money or assets may qualify
22 as matching funds, the Board of Public Works shall determine the matter and the
23 Board's decision is final. The grantee has until June 1, 2002, to present evidence
24 satisfactory to the Board of Public Works that a matching fund will be provided. If
25 satisfactory evidence is presented, the Board shall certify this fact and the amount of
26 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
27 amount of the matching fund shall be expended for the purposes provided in this Act.
28 Any amount of the loan in excess of the amount of the matching fund certified by the
29 Board of Public Works shall be canceled and be of no further effect.

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