
By: **The Speaker (Administration)**
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Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2001

CHAPTER _____

1 AN ACT concerning

2 **Cigarette Restitution Fund—Implementation of the Creation of a State**
3 **Debt - Southern Maryland Regional Strategy-Action Plan for**
4 **Agriculture –Issuance of Bonds**

5 FOR the purpose of ~~expanding the charge of the Maryland Economic Development~~
6 ~~Corporation to include assisting in the implementation of the Southern~~
7 ~~Maryland Regional Strategy Action Plan for Agriculture; authorizing the~~
8 ~~Corporation to issue agricultural assistance bonds under certain circumstances;~~
9 ~~authorizing the State to sell to the Corporation certain rights, title and interest~~
10 ~~in a certain portion of the stream of payments from the Master Settlement~~
11 ~~Agreement to the Cigarette Restitution Fund under certain circumstances;~~
12 ~~authorizing the execution of a purchasing agreement between the State and the~~
13 ~~Corporation; prohibiting a certain portion of the stream of payments and the~~
14 ~~total obligations authorized under this Act from exceeding certain limits;~~
15 ~~requiring the proceeds from the sale of the agricultural assistance bonds to be~~
16 ~~used for certain purposes; providing that the obligations issued under this Act~~
17 ~~do not constitute obligations of the State or political subdivisions of the State;~~
18 ~~requiring the Executive Director of the Corporation to certify certain~~
19 ~~information each year; providing that certain interest shall be credited to the~~
20 ~~Cigarette Restitution Fund; requiring the Governor to include certain~~
21 ~~appropriations to the Corporation from the Cigarette Restitution Fund under~~
22 ~~certain conditions; defining certain terms; providing for the effective date of this~~
23 ~~Act; and generally relating to the issuance of obligations for the implementation~~
24 ~~of the Southern Maryland Regional Strategy Action Plan for Agriculture~~
25 ~~authorizing the creation of State debt to be issued in certain years, the proceeds~~
26 ~~to be used as grants to the Tri-County Council for Southern Maryland to assist~~
27 ~~in the implementation of the Southern Maryland Regional Strategy-Action Plan~~
28 ~~for Agriculture adopted by the Tri-County Council for Southern Maryland;~~

1 providing for disbursement of the loan proceeds; providing that it is the intent of
 2 the General Assembly that these bonds only be issued under certain
 3 circumstances; providing for the intent of the General Assembly concerning the
 4 inclusion of bond authorizations in the Capital Debt Affordability limit, the
 5 establishment of a repayment schedule, the reduction of certain appropriations
 6 to implement a certain repayment schedule, and priority that is to be given to a
 7 certain program; requiring that certain reports be submitted to the General
 8 Assembly annually; providing for delayed effective dates; and generally
 9 providing for the issuance and sale of bonds evidencing the loans.

10 ~~BY repealing and reenacting, with amendments,~~
 11 ~~Article 83A—Department of Business and Economic Development~~
 12 ~~Section 5-202(b)~~
 13 ~~Annotated Code of Maryland~~
 14 ~~(1998 Replacement Volume and 2000 Supplement)~~

15 ~~BY adding to~~
 16 ~~Article 83A—Department of Business and Economic Development~~
 17 ~~Section 5-206.1~~
 18 ~~Annotated Code of Maryland~~
 19 ~~(1998 Replacement Volume and 2000 Supplement)~~

20 ~~BY repealing and reenacting, with amendments,~~
 21 ~~Article—State Finance and Procurement~~
 22 ~~Section 7-317~~
 23 ~~Annotated Code of Maryland~~
 24 ~~(1995 Replacement Volume and 2000 Supplement)~~

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

27 ~~**Article 83A—Department of Business and Economic Development**~~

28 ~~5-202-~~

29 (b) ~~The General Assembly further declares and finds that the establishment of~~
 30 ~~a State public corporation to develop certain vacant or underutilized industrial sites~~
 31 ~~and facilities as well as other economic resources in which the private sector has not~~
 32 ~~demonstrated serious and significant interest or development capability would serve~~
 33 ~~the public interest. It would complement existing State marketing programs~~
 34 ~~administered by the Department and through the Department's financial assistance~~
 35 ~~programs such as those of the Maryland Industrial Development Financing Authority,~~
 36 ~~the Maryland Industrial Land Act, and the Maryland Industrial and Commercial~~
 37 ~~Redevelopment Fund Act. The General Assembly finds that the State lacks and needs~~
 38 ~~direct property development capability for economic development purposes. THE~~
 39 ~~GENERAL ASSEMBLY FURTHER DECLARES AND FINDS THAT THE PUBLIC~~
 40 ~~CORPORATION SHALL ASSIST IN THE IMPLEMENTATION OF THE SOUTHERN~~

~~1 MARYLAND REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE ADOPTED BY
2 THE TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND.~~

~~3 5-206.1.~~

~~4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.~~

~~6 (2) "AGRICULTURAL ASSISTANCE BONDS" MEANS THE OBLIGATIONS
7 ISSUED UNDER THIS SECTION AND PAYABLE SOLELY FROM THE SECURITIZED
8 PORTION TO FINANCE OR ASSIST IN THE FINANCING OF THE SOUTHERN MARYLAND
9 REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE.~~

~~10 (3) "CIGARETTE RESTITUTION FUND" MEANS THE CIGARETTE
11 RESTITUTION FUND ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND
12 PROCUREMENT ARTICLE.~~

~~13 (4) "MASTER SETTLEMENT AGREEMENT" MEANS THE 1998 AGREEMENT,
14 AS MAY BE AMENDED FROM TIME TO TIME, EXECUTED BY THE STATE TOGETHER
15 WITH VARIOUS OTHER STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH
16 OF PUERTO RICO, GUAM, THE U.S. VIRGIN ISLANDS, AMERICAN SAMOA, AND THE
17 NORTHERN MARIANAS AND PARTICIPATING TOBACCO MANUFACTURERS TO SETTLE
18 TOBACCO LITIGATION MATTERS.~~

~~19 (5) "PURCHASE AGREEMENT" MEANS A CONTRACT, AS AUTHORIZED
20 UNDER SUBSECTION (B) OF THIS SECTION BETWEEN THE CORPORATION AND THE
21 STATE.~~

~~22 (6) "RESIDUAL INTEREST" MEANS THAT PORTION OF THE PAYMENTS
23 RECEIVED FROM THE CIGARETTE RESTITUTION FUND BY THE CORPORATION WHICH
24 IS NOT ANNUALLY REQUIRED TO:~~

~~25 (I) REPAY THE HOLDERS OF THE AGRICULTURAL ASSISTANCE
26 BONDS;~~

~~27 (II) ESTABLISH AND REPLENISH ANY RESERVE FUNDS CREATED IN
28 CONNECTION WITH THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS;~~

~~29 (III) PAY ANY OTHER COSTS OF THE CORPORATION INCURRED IN
30 CONNECTION WITH THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS; OR~~

~~31 (IV) PAY THE ACTUAL, REASONABLE, AND NECESSARY EXPENSES
32 OF THE CORPORATION TO IMPLEMENT THIS SECTION.~~

~~33 (7) "SECURITIZED PORTION" MEANS THAT PORTION OF THE
34 APPROPRIATION TO THE CORPORATION FROM THE CIGARETTE RESTITUTION FUND
35 NEEDED TO PAY:~~

~~36 (I) IN THE FISCAL YEAR THE AGRICULTURAL ASSISTANCE BONDS
37 ARE ISSUED:~~

1 1. ~~THE PRINCIPAL AND INTEREST ON THE AGRICULTURAL~~
2 ~~ASSISTANCE BONDS PAYABLE FIRST IN THAT FISCAL YEAR;~~

3 2. ~~COSTS OF ISSUANCE OF THE AGRICULTURAL ASSISTANCE~~
4 ~~BONDS IN AN AMOUNT NOT TO EXCEED 3% OF THE INITIAL PRINCIPAL AMOUNT OF~~
5 ~~THE BONDS;~~

6 3. ~~ANY REQUIRED RESERVE FUNDS IN AN AMOUNT NOT TO~~
7 ~~EXCEED 10% OF THE INITIAL PRINCIPAL AMOUNT OF THE AGRICULTURAL~~
8 ~~ASSISTANCE BONDS;~~

9 4. ~~THE COSTS OF ANY OTHER CREDIT OR LIQUIDITY~~
10 ~~ENHANCEMENT FOR THE AGRICULTURAL ASSISTANCE BONDS IN AN AMOUNT NOT~~
11 ~~TO EXCEED 1.5% OF THE INITIAL PRINCIPAL AMOUNT OF THE BONDS; AND~~

12 5. ~~REASONABLE AND NECESSARY EXPENSES OF THE~~
13 ~~CORPORATION AND ANY TRUSTEE TO IMPLEMENT THIS SECTION, NOT TO EXCEED~~
14 ~~0.5% OF THE INITIAL PRINCIPAL AMOUNT OF THE AGRICULTURAL ASSISTANCE~~
15 ~~BONDS; AND~~

16 (H) ~~IN ALL SUBSEQUENT FISCAL YEARS:~~

17 1. ~~THE PRINCIPAL AND INTEREST ON THE AGRICULTURAL~~
18 ~~ASSISTANCE BONDS PAYABLE FIRST IN THAT FISCAL YEAR;~~

19 2. ~~ANY FUNDS NECESSARY TO REPLENISH THE INITIAL~~
20 ~~REQUIRED RESERVE FUNDS IN AN AMOUNT NOT TO EXCEED 10% OF THE PRINCIPAL~~
21 ~~AMOUNT OF THE AGRICULTURAL ASSISTANCE BONDS;~~

22 3. ~~ANY ANNUAL PAYMENT DUE AND PAYABLE FOR ANY~~
23 ~~OTHER CREDIT OR LIQUIDITY ENHANCEMENT ON THE AGRICULTURAL ASSISTANCE~~
24 ~~BONDS IN AN AMOUNT NOT TO EXCEED 1.5% OF THE PRINCIPAL AMOUNT OF THE~~
25 ~~BONDS; AND~~

26 4. ~~REASONABLE AND NECESSARY ANNUAL EXPENSES OF~~
27 ~~THE CORPORATION AND ANY TRUSTEE TO IMPLEMENT THIS SECTION, NOT TO~~
28 ~~EXCEED 0.5% OF THE INITIAL PRINCIPAL AMOUNT OF THE AGRICULTURAL~~
29 ~~ASSISTANCE BONDS.~~

30 (8) ~~"SOUTHERN MARYLAND REGIONAL STRATEGY ACTION PLAN FOR~~
31 ~~AGRICULTURE" MEANS THE SOUTHERN MARYLAND REGIONAL STRATEGY ACTION~~
32 ~~PLAN FOR AGRICULTURE ADOPTED BY THE TRI COUNTY COUNCIL FOR SOUTHERN~~
33 ~~MARYLAND AS PROVIDED FOR UNDER § 7-317(F) OF THE STATE FINANCE AND~~
34 ~~PROCUREMENT ARTICLE AND APPROVED BY THE SECRETARY OF AGRICULTURE.~~

35 (B) (+) ~~FOR THE PURPOSE OF IMPLEMENTING THE SOUTHERN MARYLAND~~
36 ~~REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE, THE STATE MAY SELL TO~~
37 ~~THE CORPORATION ALL OF THE STATE'S RIGHT, TITLE, AND INTEREST IN AND TO~~
38 ~~THAT PORTION OF THE STREAM OF PAYMENTS DEPOSITED INTO THE CIGARETTE~~

1 RESTITUTION FUND FROM THE MASTER SETTLEMENT AGREEMENT EQUAL TO THE
2 SECURITIZED PORTION, IN EXCHANGE FOR:

3 (I) A CASH PAYMENT IN THE AMOUNT OF THE NET SALES
4 PROCEEDS OF THE AGRICULTURAL ASSISTANCE BONDS; AND

5 (II) DELIVERY OF THE RESIDUAL INTEREST TO THE CIGARETTE
6 RESTITUTION FUND.

7 (2) THE SECURITIZED PORTION MAY NOT EXCEED \$6,300,000 IN A FISCAL
8 YEAR AND \$94,500,000 IN THE AGGREGATE.

9 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE TERMS
10 AND CONDITIONS OF THE PURCHASE AGREEMENT SHALL BE DETERMINED JOINTLY
11 BY THE SECRETARY OF AGRICULTURE AND THE SECRETARY OF BUDGET AND
12 MANAGEMENT, AFTER CONSULTATION WITH THE ATTORNEY GENERAL AND THE
13 TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND, WHICH DETERMINATION SHALL
14 BE CONCLUSIVELY EVIDENCED BY THEIR EXECUTION OF THE PURCHASE
15 AGREEMENT.

16 (C) (1) IN ACCORDANCE WITH THIS SECTION, THE CORPORATION MAY
17 ISSUE AGRICULTURAL ASSISTANCE REVENUE BONDS, NOTES, AND OTHER
18 OBLIGATIONS, INCLUDING AGRICULTURAL ASSISTANCE REFUNDING REVENUE
19 BONDS AT OR BEFORE MATURITY, IN AN AMOUNT NOT TO EXCEED \$60,000,000 AND
20 FOR AN INITIAL TERM NOT TO EXCEED 15 YEARS, TO FINANCE, OR ASSIST IN THE
21 FINANCING OF THE SOUTHERN MARYLAND REGIONAL STRATEGY ACTION PLAN FOR
22 AGRICULTURE.

23 (2) PROCEEDS FROM THE SALE OF THE AGRICULTURAL ASSISTANCE
24 BONDS AND OTHER MONEYS RECEIVED BY THE CORPORATION PURSUANT TO THE
25 PURCHASE AGREEMENT SHALL BE USED TO PAY THE STATE A CASH PAYMENT IN
26 THE AMOUNT OF THE NET SALES PROCEEDS OF THE BONDS AND MAY ALSO BE USED
27 TO:

28 (I) PAY THE COSTS OF ISSUANCE OF THE AGRICULTURAL
29 ASSISTANCE BONDS;

30 (II) ESTABLISH AND FUND RESERVE FUNDS;

31 (III) PURCHASE ANY NECESSARY CREDIT OR LIQUIDITY
32 ENHANCEMENT OR INSURANCE POLICY; AND

33 (IV) PAY OTHER NECESSARY AND REASONABLE EXPENSES AND
34 FEES RELATED TO THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS.

35 (3) AGRICULTURAL ASSISTANCE BONDS ISSUED UNDER THIS SECTION
36 SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY, OR A PLEDGE OF THE
37 FULL FAITH AND CREDIT OF THE STATE OF MARYLAND OR OF ANY POLITICAL
38 SUBDIVISION THEREOF AND SHALL BE PAYABLE SOLELY FROM, AND SECURED BY,

1 THE PAYMENTS OF THE SECURITIZED PORTION TO THE CORPORATION FROM THE
2 CIGARETTE RESTITUTION FUND:

3 (D) ON OR BEFORE AUGUST 30 OF EACH YEAR, THE EXECUTIVE DIRECTOR OF
4 THE CORPORATION SHALL CERTIFY TO THE SECRETARY OF BUDGET AND
5 MANAGEMENT THE ANNUAL SECURITIZED PORTION REQUIRED TO BE
6 APPROPRIATED TO THE CORPORATION FROM THE CIGARETTE RESTITUTION FUND IN
7 THE FOLLOWING FISCAL YEAR, AS PROVIDED IN THIS SECTION.

8 **Article—State Finance and Procurement**

9 7-317.

10 (a) There is a Cigarette Restitution Fund.

11 (b) (1) The fund is a continuing, nonlapsing fund that is not subject to §
12 7-302 of this subtitle.

13 (2) There shall be credited to the Fund all revenues consisting of:

14 (I) funds received by the State from any source resulting, directly
15 or indirectly, from any judgment against or settlement with tobacco product
16 manufacturers, tobacco research associations, or any other person in the tobacco
17 industry relating to litigation, administrative proceedings, or any other claims made
18 or prosecuted by the State to recover damages for violations of State law; AND

19 (II) ANY RESIDUAL INTEREST AS PROVIDED UNDER ARTICLE 83A, §
20 5-206.1 OF THE CODE.

21 (c) The Treasurer shall:

22 (1) invest and reinvest the Fund in the same manner as other State
23 funds; and

24 (2) credit any investment earnings to the Fund.

25 (d) Expenditures from the Fund shall be made by an appropriation in the
26 annual State budget.

27 (e) (1) The Fund shall be expended subject to any restrictions on its use or
28 other limitations on its allocation that are:

29 (i) expressly provided by statute;

30 (ii) required as a condition of the acceptance of funds; or

31 (iii) determined to be necessary to avoid recoupment by the federal
32 government of money paid to the Fund.

33 (2) Disbursements from the Fund to programs funded by the State or
34 with federal funds administered by the State shall be used solely to supplement, and

1 not to supplant, funds otherwise available for the programs under federal or State law
2 as provided in this section.

3 (f) (1) The Cigarette Restitution Fund shall be used to fund:

4 (i) the Tobacco Use Prevention and Cessation Program established
5 under Title 13, Subtitle 10 of the Health—General Article;

6 (ii) the Cancer Prevention, Education, Screening, and Treatment
7 Program established under Title 13, Subtitle 11 of the Health—General Article; and

8 (iii) other programs that serve the following purposes:

9 1. reduction of the use of tobacco products by minors;

10 2. implementation of the Southern Maryland Regional
11 Strategy Action Plan for Agriculture adopted by the Tri County Council for Southern
12 Maryland with an emphasis on alternative crop uses for agricultural land now used
13 for growing tobacco;

14 3. public and school education campaigns to decrease tobacco
15 use with initial emphasis on areas targeted by tobacco manufacturers in marketing
16 and promoting cigarette and tobacco products;

17 4. smoking cessation programs;

18 5. Enforcement of the laws regarding tobacco sales;

19 6. the purposes of the Maryland Health Care Foundation
20 under Title 20, Subtitle 5 of the Health—General Article;

21 7. primary health care in rural areas of the State and areas
22 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco
23 products;

24 8. prevention, treatment, and research concerning cancer,
25 heart disease, lung disease, tobacco product use, and tobacco control, including
26 operating costs and related capital projects;

27 9. substance abuse treatment and prevention programs; and

28 10. any other public purpose.

29 (2) The provisions of this subsection may not be construed to affect the
30 Governor's powers with respect to a request for an appropriation in the annual budget
31 bill.

32 (g) (1) Amounts may only be expended from the Fund through
33 appropriations in the State budget bill as provided in this subsection.

1 (2) The Governor shall include in the annual budget bill appropriations
2 from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated
3 to be available to the Fund in the fiscal year for which the appropriations are made.

4 (3) ~~(I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, OF THE
5 FUNDS REQUIRED TO BE APPROPRIATED UNDER PARAGRAPH (2) OF THIS
6 SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN
7 APPROPRIATION TO THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION IN
8 THE AMOUNT CERTIFIED BY THE EXECUTIVE DIRECTOR PURSUANT TO ARTICLE 83A,
9 § 5-206.1 OF THE CODE TO IMPLEMENT THE SOUTHERN MARYLAND REGIONAL
10 STRATEGY ACTION PLAN FOR AGRICULTURE.~~

11 ~~(II) IF THE FUNDS IN THE CIGARETTE RESTITUTION FUND ARE
12 INSUFFICIENT TO SATISFY THE REQUIRED APPROPRIATION, THE GOVERNOR SHALL
13 APPROPRIATE THE FUNDS THAT ARE AVAILABLE BUT SHALL HAVE NO OBLIGATION
14 TO APPROPRIATE FUNDS FROM ANY OTHER SOURCE.~~

15 ~~[(3)] (4) For each fiscal year for which appropriations are made, at least
16 50% of the appropriations shall be made for those purposes enumerated in subsection
17 (f)(1)(i), (ii), and (iii) 1 through 9 of this section subject to the requirement of
18 subsection (e)(2) of this section.~~

19 ~~[(4)] (5) Any additional appropriations, not subject to paragraph (3) of
20 this subsection, may be made for any lawful purpose.~~

21 (h) For each program, project or activity receiving funds appropriated under
22 subsection (g)(3) of this section, the Governor shall:

23 (1) develop appropriate statements of vision, mission, key goals, key
24 objectives, and key performance indicators and report these statements in a discrete
25 part of the State budget submission, which shall also provide data for key
26 performance indicators; and

27 (2) report annually, subject to § 2-1246 of the State Government Article,
28 to the General Assembly no later than October 1 on:

29 (i) total funds expended, by program and subdivision, in the prior
30 fiscal year from the Fund established under this section; and

31 (ii) the specific outcomes or public benefits resulting from that
32 expenditure.

33 ~~SECTION 2. AND BE IT FURTHER ENACTED, That agricultural assistance
34 obligations issued under this Act shall contain on their face a statement to the effect
35 that neither the State of Maryland nor any political subdivision thereof shall be
36 obligated to pay the principal of or interest on the obligations except from revenues
37 specifically pledged to them and that neither the full faith and credit nor the taxing
38 power of the State or any political subdivision thereof is pledged to the payment of the
39 principal of or the interest on the agricultural assistance obligations.~~

1 ~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
2 ~~June 1, 2001.~~

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That:

5 (1) The Board of Public Works may borrow money and incur indebtedness on
6 behalf of the State of Maryland through a State loan to be known as the Southern
7 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2003 in the total
8 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
9 and delivery of State general obligation bonds authorized by a resolution of the Board
10 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
11 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

12 (2) The bonds to evidence this loan or installments of this loan may be sold as
13 a single issue or may be consolidated and sold as part of a single issue of bonds under
14 § 8-122 of the State Finance and Procurement Article.

15 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
16 and first shall be applied to the payment of the expenses of issuing, selling, and
17 delivering the bonds, unless funds for this purpose are otherwise provided, and then
18 shall be credited on the books of the Comptroller and expended, on approval by the
19 Board of Public Works, for the following public purposes: as a grant to the Tri-County
20 Council for Southern Maryland to assist in the implementation of the Southern
21 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
22 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
23 and Procurement Article and approved by the Secretary of Agriculture.

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That:

29 (1) The Board of Public Works may borrow money and incur indebtedness on
30 behalf of the State of Maryland through a State loan to be known as the Southern
31 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2004 in the total
32 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
33 and delivery of State general obligation bonds authorized by a resolution of the Board
34 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
35 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

36 (2) The bonds to evidence this loan or installments of this loan may be sold as
37 a single issue or may be consolidated and sold as part of a single issue of bonds under
38 § 8-122 of the State Finance and Procurement Article.

39 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
40 and first shall be applied to the payment of the expenses of issuing, selling, and
41 delivering the bonds, unless funds for this purpose are otherwise provided, and then

1 shall be credited on the books of the Comptroller and expended, on approval by the
2 Board of Public Works, for the following public purposes: as a grant to the Tri-County
3 Council for Southern Maryland to assist in the implementation of the Southern
4 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
5 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
6 and Procurement Article and approved by the Secretary of Agriculture.

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

11 SECTION 3. AND BE IT FURTHER ENACTED, 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 Southern
14 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2005 in the total
15 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
16 and delivery of State general obligation bonds authorized by a resolution of the Board
17 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
18 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes: as a grant to the Tri-County
27 Council for Southern Maryland to assist in the implementation of the Southern
28 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
29 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
30 and Procurement Article and approved by the Secretary of Agriculture.

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 issue of the bonds.

35 SECTION 4. AND BE IT FURTHER ENACTED, That:

36 (1) The Board of Public Works may borrow money and incur indebtedness on
37 behalf of the State of Maryland through a State loan to be known as the Southern
38 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2006 in the total
39 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
40 and delivery of State general obligation bonds authorized by a resolution of the Board
41 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
42 8-124 of the State Finance and 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: as a grant to the Tri-County
9 Council for Southern Maryland to assist in the implementation of the Southern
10 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
11 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
12 and Procurement Article and approved by the Secretary of Agriculture.

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

17 SECTION 5. AND BE IT FURTHER ENACTED, That:

18 (1) The Board of Public Works may borrow money and incur indebtedness on
19 behalf of the State of Maryland through a State loan to be known as the Southern
20 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2007 in the total
21 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
22 and delivery of State general obligation bonds authorized by a resolution of the Board
23 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
24 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

25 (2) The bonds to evidence this loan or installments of this loan may be sold as
26 a single issue or may be consolidated and sold as part of a single issue of bonds under
27 § 8-122 of the State Finance and Procurement Article.

28 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
29 and first shall be applied to the payment of the expenses of issuing, selling, and
30 delivering the bonds, unless funds for this purpose are otherwise provided, and then
31 shall be credited on the books of the Comptroller and expended, on approval by the
32 Board of Public Works, for the following public purposes: as a grant to the Tri-County
33 Council for Southern Maryland to assist in the implementation of the Southern
34 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
35 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
36 and Procurement Article and approved by the Secretary of Agriculture.

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

41 SECTION 6. AND BE IT FURTHER ENACTED, That:

1 (1) The Board of Public Works may borrow money and incur indebtedness on
2 behalf of the State of Maryland through a State loan to be known as the Southern
3 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2008 in the total
4 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
5 and delivery of State general obligation bonds authorized by a resolution of the Board
6 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
7 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

8 (2) The bonds to evidence this loan or installments of this loan may be sold as
9 a single issue or may be consolidated and sold as part of a single issue of bonds under
10 § 8-122 of the State Finance and Procurement Article.

11 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
12 and first shall be applied to the payment of the expenses of issuing, selling, and
13 delivering the bonds, unless funds for this purpose are otherwise provided, and then
14 shall be credited on the books of the Comptroller and expended, on approval by the
15 Board of Public Works, for the following public purposes: as a grant to the Tri-County
16 Council for Southern Maryland to assist in the implementation of the Southern
17 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
18 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
19 and Procurement Article and approved by the Secretary of Agriculture.

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

24 SECTION 7. AND BE IT FURTHER ENACTED, That it is the intent of the
25 General Assembly that the general obligation bonds authorized in Sections 1 through
26 6 of this Act only be issued each year if necessary to implement the provisions of the
27 Southern Maryland Regional Strategy-Action Plan for Agriculture.

28 SECTION 8. AND BE IT FURTHER ENACTED, That it is the intent of the
29 General Assembly that the \$5,000,000 of general obligation bonds authorized in
30 Sections 1 through 6 of this Act not be included as part of the annual general
31 obligation debt limit recommended by the Capital Debt Affordability Committee, in
32 accordance with § 8-112 of the State Finance and Procurement Article, for each of the
33 six years; provided, however, that the bonds may not be issued if issuance will
34 increase the total outstanding State tax-supported debt above 3.2% of personal
35 income.

36 SECTION 9. AND BE IT FURTHER ENACTED, That it is the intent of the
37 General Assembly that the Maryland Department of Agriculture develop a repayment
38 schedule to reimburse the General Fund, within eight years of the final issuance of
39 debt authorized under this Act, for the principal and issuance costs of any debt issued.
40 The appropriation from the Cigarette Restitution Fund for implementation of the
41 Southern Maryland Regional Strategy-Action Plan for Agriculture as provided for
42 under § 7-317(f) of the State Finance and Procurement Article shall annually be
43 reduced according to the repayment schedule.

1 SECTION 10. AND BE IT FURTHER ENACTED, That it is the intent of the
2 General Assembly that in expending the proceeds of bonds authorized by this Act,
3 priority shall be given to the tobacco buyout programs of the Southern Maryland
4 Regional Strategy-Action Plan for Agriculture.

5 SECTION 11. AND BE IT FURTHER ENACTED, That the Department of
6 Agriculture shall report to the General Assembly on or before October 1 of each year,
7 in accordance with § 2-1246 of the State Government Article, on the implementation
8 and effects of the Southern Maryland Regional Strategy-Action Plan for Agriculture,
9 including the use of general obligation bonds authorized by this Act.

10 SECTION 12. AND BE IT FURTHER ENACTED, That Section 1 of this Act
11 shall take effect June 1, 2003, Section 2 of this Act shall take effect June 1, 2004,
12 Section 3 of this Act shall take effect June 1, 2005, Section 4 of this Act shall take
13 effect June 1, 2006, Section 5 of this Act shall take effect June 1, 2007, and Section 6
14 of this Act shall take effect June 1, 2008.

15 SECTION 13. AND BE IT FURTHER ENACTED, That, except as provided in
16 Section 12 of this Act, this Act shall take effect June 1, 2001.