

SENATE BILL 532

Unofficial Copy
B2

2001 Regular Session
(11r0192)

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **Senators Miller, Dyson, and Middleton and the President**
(Administration)

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Cigarette Restitution Fund – Implementation of the Creation of State Debt -**
3 **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~~

1 do not constitute obligations of the State or political subdivisions of the State;
 2 requiring the Executive Director of the Corporation to certify certain
 3 information each year; providing that certain interest shall be credited to the
 4 Cigarette Restitution Fund; requiring the Governor to include certain
 5 appropriations to the Corporation from the Cigarette Restitution Fund under
 6 certain conditions; defining certain terms; providing for the effective date of this
 7 Act; and generally relating to the issuance of obligations for the implementation
 8 of the Southern Maryland Regional Strategy Action Plan for Agriculture
 9 authorizing the creation of State debt to be issued in certain years, the proceeds
 10 to be used as grants to the Tri-County Council for Southern Maryland to assist
 11 in the implementation of the Southern Maryland Regional Strategy Action Plan
 12 for Agriculture adopted by the Tri-County Council for Southern Maryland;
 13 providing for disbursement of the loan proceeds; providing that it is the intent of
 14 the General Assembly that these bonds only be issued under certain
 15 circumstances; providing for the intent of the General Assembly concerning the
 16 inclusion of certain bond authorizations in the Capital Debt Affordability limit,
 17 the establishment of a repayment schedule, and the reduction of certain
 18 appropriations to implement a certain repayment schedule, and priority that is
 19 to be given to a certain program; requiring that certain reports be submitted to
 20 the General Assembly annually; providing for delayed effective dates; and
 21 generally providing for the issuance and sale of bonds evidencing the loans.

22 ~~BY repealing and reenacting, with amendments,~~
 23 ~~Article 83A—Department of Business and Economic Development~~
 24 ~~Section 5-202(b)~~
 25 ~~Annotated Code of Maryland~~
 26 ~~(1998 Replacement Volume and 2000 Supplement)~~

27 ~~BY adding to~~
 28 ~~Article 83A—Department of Business and Economic Development~~
 29 ~~Section 5-206.1~~
 30 ~~Annotated Code of Maryland~~
 31 ~~(1998 Replacement Volume and 2000 Supplement)~~

32 ~~BY repealing and reenacting, with amendments,~~
 33 ~~Article—State Finance and Procurement~~
 34 ~~Section 7-317~~
 35 ~~Annotated Code of Maryland~~
 36 ~~(1995 Replacement Volume and 2000 Supplement)~~

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

Article 83A—Department of Business and Economic Development

~~2 5-202.~~

~~3 (b) The General Assembly further declares and finds that the establishment of
4 a State public corporation to develop certain vacant or underutilized industrial sites
5 and facilities as well as other economic resources in which the private sector has not
6 demonstrated serious and significant interest or development capability would serve
7 the public interest. It would complement existing State marketing programs
8 administered by the Department and through the Department's financial assistance
9 programs such as those of the Maryland Industrial Development Financing Authority,
10 the Maryland Industrial Land Act, and the Maryland Industrial and Commercial
11 Redevelopment Fund Act. The General Assembly finds that the State lacks and needs
12 direct property development capability for economic development purposes. THE
13 GENERAL ASSEMBLY FURTHER DECLARES AND FINDS THAT THE PUBLIC
14 CORPORATION SHALL ASSIST IN THE IMPLEMENTATION OF THE SOUTHERN
15 MARYLAND REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE ADOPTED BY
16 THE TRI COUNTY COUNCIL FOR SOUTHERN MARYLAND.~~

~~17 5-206.1.~~

~~18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED:~~

~~20 (2) "AGRICULTURAL ASSISTANCE BONDS" MEANS THE OBLIGATIONS
21 ISSUED UNDER THIS SECTION AND PAYABLE SOLELY FROM THE SECURITIZED
22 PORTION TO FINANCE OR ASSIST IN THE FINANCING OF THE SOUTHERN MARYLAND
23 REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE.~~

~~24 (3) "CIGARETTE RESTITUTION FUND" MEANS THE CIGARETTE
25 RESTITUTION FUND ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND
26 PROCUREMENT ARTICLE.~~

~~27 (4) "MASTER SETTLEMENT AGREEMENT" MEANS THE 1998 AGREEMENT,
28 AS MAY BE AMENDED FROM TIME TO TIME, EXECUTED BY THE STATE TOGETHER
29 WITH VARIOUS OTHER STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH
30 OF PUERTO RICO, GUAM, THE U.S. VIRGIN ISLANDS, AMERICAN SAMOA, AND THE
31 NORTHERN MARIANAS AND PARTICIPATING TOBACCO MANUFACTURERS TO SETTLE
32 TOBACCO LITIGATION MATTERS.~~

~~33 (5) "PURCHASE AGREEMENT" MEANS A CONTRACT, AS AUTHORIZED
34 UNDER SUBSECTION (B) OF THIS SECTION BETWEEN THE CORPORATION AND THE
35 STATE.~~

~~36 (6) "RESIDUAL INTEREST" MEANS THAT PORTION OF THE PAYMENTS
37 RECEIVED FROM THE CIGARETTE RESTITUTION FUND BY THE CORPORATION WHICH
38 IS NOT ANNUALLY REQUIRED TO:~~

~~39 (1) REPAY THE HOLDERS OF THE AGRICULTURAL ASSISTANCE
40 BONDS;~~

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

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

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

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

10 (I) ~~IN THE FISCAL YEAR THE AGRICULTURAL ASSISTANCE BONDS~~
11 ~~ARE ISSUED:~~

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

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

17 3. ~~ANY REQUIRED RESERVE FUNDS IN AN AMOUNT NOT TO~~
18 ~~EXCEED 10% OF THE INITIAL PRINCIPAL AMOUNT OF THE AGRICULTURAL~~
19 ~~ASSISTANCE BONDS;~~

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

23 5. ~~REASONABLE AND NECESSARY EXPENSES OF THE~~
24 ~~CORPORATION AND ANY TRUSTEE TO IMPLEMENT THIS SECTION, NOT TO EXCEED~~
25 ~~0.5% OF THE INITIAL PRINCIPAL AMOUNT OF THE AGRICULTURAL ASSISTANCE~~
26 ~~BONDS; AND~~

27 (II) ~~IN ALL SUBSEQUENT FISCAL YEARS:~~

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

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

33 3. ~~ANY ANNUAL PAYMENT DUE AND PAYABLE FOR ANY~~
34 ~~OTHER CREDIT OR LIQUIDITY ENHANCEMENT ON THE AGRICULTURAL ASSISTANCE~~
35 ~~BONDS IN AN AMOUNT NOT TO EXCEED 1.5% OF THE PRINCIPAL AMOUNT OF THE~~
36 ~~BONDS; AND~~

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

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

5 (i) expressly provided by statute;

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

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

9 (2) Disbursements from the Fund to programs funded by the State or
10 with federal funds administered by the State shall be used solely to supplement, and
11 not to supplant, funds otherwise available for the programs under federal or State law
12 as provided in this section.

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

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

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

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

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

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

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

27 4. smoking cessation programs;

28 5. Enforcement of the laws regarding tobacco sales;

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

31 7. primary health care in rural areas of the State and areas
32 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco
33 products;

1 8. prevention, treatment, and research concerning cancer,
2 heart disease, lung disease, tobacco product use, and tobacco control, including
3 operating costs and related capital projects;

4 9. substance abuse treatment and prevention programs; and

5 10. any other public purpose.

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

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

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

14 (3) (f) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, OF THE
15 FUNDS REQUIRED TO BE APPROPRIATED UNDER PARAGRAPH (2) OF THIS
16 SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN
17 APPROPRIATION TO THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION IN
18 THE AMOUNT CERTIFIED BY THE EXECUTIVE DIRECTOR PURSUANT TO ARTICLE 83A,
19 § 5-206.1 OF THE CODE TO IMPLEMENT THE SOUTHERN MARYLAND REGIONAL
20 STRATEGY ACTION PLAN FOR AGRICULTURE.

21 (H) IF THE FUNDS IN THE CIGARETTE RESTITUTION FUND ARE
22 INSUFFICIENT TO SATISFY THE REQUIRED APPROPRIATION, THE GOVERNOR SHALL
23 APPROPRIATE THE FUNDS THAT ARE AVAILABLE BUT SHALL HAVE NO OBLIGATION
24 TO APPROPRIATE FUNDS FROM ANY OTHER SOURCE.

25 [(3)] (4) For each fiscal year for which appropriations are made, at least
26 50% of the appropriations shall be made for those purposes enumerated in subsection
27 (f)(1)(i), (ii), and (iii) 1 through 9 of this section subject to the requirement of
28 subsection (e)(2) of this section.

29 [(4)] (5) Any additional appropriations, not subject to paragraph (3) of
30 this subsection, may be made for any lawful purpose.

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

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

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

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

3 (ii) the specific outcomes or public benefits resulting from that
4 expenditure.

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

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

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That:

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

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

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

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

39 SECTION 2. 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 2004 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 3. AND BE IT FURTHER ENACTED, That:

25 (1) The Board of Public Works may borrow money and incur indebtedness on
26 behalf of the State of Maryland through a State loan to be known as the Southern
27 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2005 in the total
28 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
29 and delivery of State general obligation bonds authorized by a resolution of the Board
30 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
31 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

32 (2) The bonds to evidence this loan or installments of this loan may be sold as
33 a single issue or may be consolidated and sold as part of a single issue of bonds under
34 § 8-122 of the State Finance and Procurement Article.

35 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
36 and first shall be applied to the payment of the expenses of issuing, selling, and
37 delivering the bonds, unless funds for this purpose are otherwise provided, and then
38 shall be credited on the books of the Comptroller and expended, on approval by the
39 Board of Public Works, for the following public purposes: as a grant to the Tri-County
40 Council for Southern Maryland to assist in the implementation of the Southern
41 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County

1 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
2 and Procurement Article and approved by the Secretary of Agriculture.

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

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

8 (1) The Board of Public Works may borrow money and incur indebtedness on
9 behalf of the State of Maryland through a State loan to be known as the Southern
10 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2006 in the total
11 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
12 and delivery of State general obligation bonds authorized by a resolution of the Board
13 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
14 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

15 (2) The bonds to evidence this loan or installments of this loan may be sold as
16 a single issue or may be consolidated and sold as part of a single issue of bonds under
17 § 8-122 of the State Finance and Procurement Article.

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

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

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

32 (1) The Board of Public Works may borrow money and incur indebtedness on
33 behalf of the State of Maryland through a State loan to be known as the Southern
34 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2007 in the total
35 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
36 and delivery of State general obligation bonds authorized by a resolution of the Board
37 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
38 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

39 (2) The bonds to evidence this loan or installments of this loan may be sold as
40 a single issue or may be consolidated and sold as part of a single issue of bonds under
41 § 8-122 of the State Finance and Procurement Article.

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

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 issue of the bonds.

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

15 (1) The Board of Public Works may borrow money and incur indebtedness on
16 behalf of the State of Maryland through a State loan to be known as the Southern
17 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2008 in the total
18 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
21 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

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

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

38 SECTION 7. AND BE IT FURTHER ENACTED, That it is the intent of the
39 General Assembly that general obligation bonds authorized in Sections 1 through 6 of
40 this Act only be issued each year if the funds provided under § 7-317(f) of the State
41 Finance and Procurement Article are not sufficient to implement the provisions of the
42 Southern Maryland Regional Strategy-Action Plan for Agriculture.

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

8 ~~SECTION 7. 9. AND BE IT FURTHER ENACTED, That it is the intent of the~~
9 ~~General Assembly that the \$5,000,000 of general obligation bonds authorized in~~
10 ~~Sections 1 through 6 of this Act be included as part of the general obligation debt limit~~
11 ~~recommended by the Capital Debt Affordability Committee, in accordance with §~~
12 ~~8-112 of the State Finance and Procurement Article, for each of the six years. Further,~~
13 it is the intent of the General Assembly that the Maryland Department of Agriculture
14 develop a repayment schedule, in consultation with the Treasurer, to reimburse the
15 General Fund, within eight years of the final issuance of debt authorized under this
16 Act, for the principal and issuance costs of any debt issued. The appropriation from
17 the Cigarette Restitution Fund for implementation of the Southern Maryland
18 Regional Strategy-Action Plan for Agriculture as provided for under § 7-317(f) of the
19 State Finance and Procurement Article shall annually be reduced according to the
20 repayment schedule.

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

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

30 ~~SECTION 8- 12.~~ AND BE IT FURTHER ENACTED, That Section 1 of this Act
31 shall take effect June 1, 2003, Section 2 of this Act shall take effect June 1, 2004,
32 Section 3 of this Act shall take effect June 1, 2005, Section 4 of this Act shall take
33 effect June 1, 2006, Section 5 of this Act shall take effect June 1, 2007, and Section 6
34 of this Act shall take effect June 1, 2008.

35 ~~SECTION 9- 13.~~ AND BE IT FURTHER ENACTED, That, except as provided in
36 Section 8 12 of this Act, this Act shall take effect June 1, 2001.

