

SENATE BILL 416

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2002 Regular Session
2lr2470
CF HB 209

By: **Senator Stoltzfus**

Introduced and read first time: January 30, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Worcester County - Pocomoke City Fair**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000,
4 the proceeds to be used as a grant to the Mayor and City Council of Pocomoke
5 City for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; and providing generally for the issuance
8 and sale of bonds evidencing the loan.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
10 MARYLAND, That:

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Worcester
13 County - Pocomoke City Fair Loan of 2002 in a total principal amount equal to the
14 lesser of (i) \$100,000 or (ii) the amount of the matching fund provided in accordance
15 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
16 delivery of State general obligation bonds authorized by a resolution of the Board of
17 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, including any applicable
27 architects' and engineers' fees: as a grant to the Mayor and City Council of Pocomoke
28 City (referred to hereafter in this Act as "the grantee") for the completion of
29 construction of a grandstand, restrooms, and exhibition area for the Pocomoke City
30 Fair.

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, in kind
10 contributions, or funds expended prior to the effective date of this Act. In case of any
11 dispute as to the amount of the matching fund or what money or assets may qualify
12 as matching funds, the Board of Public Works shall determine the matter and the
13 Board's decision is final. The grantee has until June 1, 2004, to present evidence
14 satisfactory to the Board of Public Works that a matching fund will be provided. If
15 satisfactory evidence is presented, the Board shall certify this fact and the amount of
16 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
17 amount of the matching fund shall be expended for the purposes provided in this Act.
18 Any amount of the loan in excess of the amount of the matching fund certified by the
19 Board of Public Works shall be canceled and be of no further effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2002.