
By: **Delegates Walkup, Elmore, Rudolph, Smigiel, and Sossi**

Introduced and read first time: February 10, 2006

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Kent County - Chesapeake Fields' Millington**
3 **Project**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$1,400,000, the proceeds to be used as a grant to the Board of Trustees of the
6 Chesapeake Fields Institute, Inc. for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; establishing
9 a deadline for the encumbrance or expenditure of the loan proceeds; and
10 providing generally for the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Kent County
15 - Chesapeake Fields' Millington Project Loan of 2006 in the total principal amount of
16 \$1,400,000. This loan shall be evidenced by the issuance, sale, and delivery of State
17 general obligation bonds authorized by a resolution of the Board of Public Works and
18 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
19 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 Trustees of the Chesapeake
29 Fields Institute, Inc. (referred to hereafter in this Act as "the grantee") for the
30 acquisition of 83 acres of farmland to build an agricultural/visitor center and business
31 park, located in Millington.

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 of \$700,000. No part of the grantee's matching fund may be provided,
8 either 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 or funds expended prior to the effective date of this
11 Act. In case of any dispute as to the amount of the matching fund or what money or
12 assets may qualify as matching funds, the Board of Public Works shall determine the
13 matter and the Board's decision is final. The grantee has until June 1, 2008, to
14 present evidence satisfactory to the Board of Public Works that a matching fund will
15 be provided. If satisfactory evidence is presented, the Board shall certify this fact to
16 the State Treasurer, and the proceeds of the loan shall be expended for the purposes
17 provided in this Act.

18 (6) The proceeds of the loan must be expended or encumbered by the Board of
19 Public Works for the purposes provided in this Act no later than June 1, 2013. If any
20 funds authorized by this Act remain unexpended or unencumbered after June 1,
21 2013, the amount of the unencumbered or unexpended authorization shall be
22 canceled and be of no further effect. If bonds have been issued for the loan, the
23 amount of unexpended or unencumbered bond proceeds shall be disposed of as
24 provided in § 8-129 of the State Finance and Procurement Article.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2006.