
By: **Senator Pipkin**

Introduced and read first time: February 2, 2006

Assigned to: Budget and Taxation

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 not to exceed \$700,000,
5 the proceeds to be used as a grant to the Board of Trustees of the Chesapeake
6 Fields Institute, Inc. for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 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 a total principal amount
16 equal to the lesser of (i) \$700,000 or (ii) the amount of the matching fund provided in
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
18 and delivery of State general obligation bonds authorized by a resolution of the Board
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
20 8-124 of the State Finance and Procurement Article and 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
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Trustees of the Chesapeake
30 Fields Institute, Inc. (referred to hereafter in this Act as "the grantee") for the
31 acquisition of 83 acres of farmland to build an agricultural/visitor center and business
32 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. 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. 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 and
16 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
17 equal to the amount of the matching fund shall be expended for the purposes provided
18 in this Act. Any amount of the loan in excess of the amount of the matching fund
19 certified by the Board of Public Works shall be canceled and be of no further effect.

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

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