

# SENATE BILL 94

B2  
HB 117/06 – APP

71r1479  
CF 71r1215

---

By: **Senators Brinkley and Mooney**  
Introduced and read first time: January 22, 2007  
Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Frederick County – C&O Canal National Historic**  
3 **Catoctin Aqueduct**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$450,000,  
5 the proceeds to be used as a grant to the Board of Directors of the Catoctin  
6 Aqueduct Restoration Fund, 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 Frederick  
15 County – C&O Canal National Historic Catoctin Aqueduct Loan of 2007 in a total  
16 principal amount equal to the lesser of (i) \$450,000 or (ii) the amount of the matching  
17 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
18 the issuance, sale, and delivery of State general obligation bonds authorized by a  
19 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
20 with §§ 8–117 through 8–124 of the State Finance and Procurement Article and  
21 Article 31, § 22 of the Code.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)     The bonds to evidence this loan or installments of this loan may be sold  
2 as a single issue or may be consolidated and sold as part of a single issue of bonds  
3 under § 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, including any applicable  
9 architects' and engineers' fees: as a grant to the Board of Directors of the Catoctin  
10 Aqueduct Restoration Fund, Inc. (referred to hereafter in this Act as "the grantee") for  
11 the repair, restoration, reconstruction, and stabilization of the National Historic  
12 Catoctin Aqueduct, located at the 51.5 mile mark of the C&O Canal between Point of  
13 Rocks and Brunswick.

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

18           (5)     Prior to the payment of any funds under the provisions of this Act for the  
19 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
20 matching fund. No part of the grantee's matching fund may be provided, either  
21 directly or indirectly, from funds of the State, whether appropriated or  
22 unappropriated. No part of the fund may consist of real property, in kind  
23 contributions, or funds expended prior to the effective date of this Act. In case of any  
24 dispute as to the amount of the matching fund or what money or assets may qualify as  
25 matching funds, the Board of Public Works shall determine the matter and the  
26 Board's decision is final. The grantee has until June 1, 2009, to present evidence  
27 satisfactory to the Board of Public Works that a matching fund will be provided. If  
28 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
29 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
30 amount of the matching fund shall be expended for the purposes provided in this Act.  
31 Any amount of the loan in excess of the amount of the matching fund certified by the  
32 Board of Public Works shall be canceled and be of no further effect.

33           (6)     The proceeds of the loan must be expended or encumbered by the Board  
34 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
36 the amount of the unencumbered or unexpended authorization shall be canceled and  
37 be of no further effect. If bonds have been issued for the loan, the amount of  
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
39 § 8–129 of the State Finance and Procurement Article.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2    June 1, 2007.