

SENATE BILL 848

B2

71r2687
CF 71r2961

By: **Senators Astle, Brinkley, Conway, DeGrange, Dyson, Edwards, Haines, Hooper, Jacobs, Klausmeier, Miller, Munson, Pipkin, Simonaire, and Stoltzfus**

Introduced and read first time: February 19, 2007

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Maryland Artificial Reef Initiative**

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

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Maryland
14 Artificial Reef Initiative Loan of 2007 in the total principal amount of \$1,000,000. This
15 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
16 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
17 delivered in accordance with §§ 8–117 through 8–124 of the State Finance and
18 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
20 as a single issue or may be consolidated and sold as part of a single issue of bonds
21 under § 8–122 of the State Finance and Procurement Article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of the Coastal
7 Conservation Association, Inc. (referred to hereafter in this Act as "the grantee") for
8 the acquisition of the old Woodrow Wilson Bridge, located on the Maryland portion of
9 the Chesapeake Bay.

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 issuance of the bonds.

14 (5) Prior to the payment of any funds under the provisions of this Act for the
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
16 matching fund of \$500,000. No part of the grantee's matching fund may be provided,
17 either directly or indirectly, from funds of the State, whether appropriated or
18 unappropriated. No part of the fund may consist of real property, in kind
19 contributions, or funds expended prior to the effective date of this Act. In case of any
20 dispute as to the amount of the matching fund or what money or assets may qualify as
21 matching funds, the Board of Public Works shall determine the matter and the
22 Board's decision is final. The grantee has until June 1, 2009, to present evidence
23 satisfactory to the Board of Public Works that a matching fund will be provided. If
24 satisfactory evidence is presented, the Board shall certify this fact to the State
25 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in
26 this Act.

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

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