

SENATE BILL 814

B2

8lr3119

By: **Senator Dyson**

Introduced and read first time: February 7, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – St. Mary’s County – St. Mary’s Agricultural Service**
3 **Center**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$500,000, the proceeds to be used as a grant to the Board of Supervisors of the
6 St. Mary’s Soil Conservation District 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 St. Mary’s
15 County – St. Mary’s Agricultural Service Center Loan of 2008 in the total principal
16 amount of \$500,000. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public Works
18 and 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
21 as a single issue or may be consolidated and sold as part of a single issue of bonds
22 under § 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 architects' and engineers' fees: as a grant to the Board of Supervisors of the St. Mary's
2 Soil Conservation District (referred to hereafter in this Act as "the grantee") for the
3 design and construction of an agricultural service center, located in Leonardtown.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
10 matching fund of \$400,000. No part of the grantee's matching fund may be provided,
11 either directly or indirectly, from funds of the State, whether appropriated or
12 unappropriated. No part of the fund may consist of in kind contributions or funds
13 expended prior to the effective date of this Act. The fund may consist of real property.
14 In case of any dispute as to the amount of the matching fund or what money or assets
15 may qualify as matching funds, the Board of Public Works shall determine the matter
16 and the Board's decision is final. The grantee has until June 1, 2010, to present
17 evidence satisfactory to the Board of Public Works that a matching fund will be
18 provided. If satisfactory evidence is presented, the Board shall certify this fact to the
19 State Treasurer, and the proceeds of the loan shall be expended for the purposes
20 provided in this Act.

21 (6) The proceeds of the loan must be expended or encumbered by the Board
22 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
23 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
24 the amount of the unencumbered or unexpended authorization shall be canceled and
25 be of no further effect. If bonds have been issued for the loan, the amount of
26 unexpended or unencumbered bond proceeds shall be disposed of as provided in
27 § 8-129 of the State Finance and Procurement Article.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 June 1, 2008.