

CHAPTER 719

(House Bill 1330)

AN ACT concerning

Creation of a State Debt – Community Development Administration – Local Government Infrastructure Financing Program

FOR the purpose of authorizing the creation of State Debt in the total principal amount up to \$2,000,000, the proceeds to be used as grants or loans to the Community Development Administration of the Department of Housing and Community Development to replenish certain capital reserve funds created under the Local Government Infrastructure Financing Program; providing for disbursement of the loan proceeds; stating the intent of the General Assembly that certain bonds only be issued under certain circumstances; stating the intent of the General Assembly that this bond authorization is excluded from the Capital Debt Affordability limit; stating the intent of the General Assembly that the Administration reimburse, within a certain number of years, the Annuity Bond Fund for the principal and interest costs for the debt authorized under this Act; authorizing the Comptroller to advance certain funds under certain circumstances; exempting this Act from a certain termination provision under the State Finance and Procurement Article; making this Act contingent on the taking effect of another Act; and generally providing for the issuance and sale of bonds evidencing the Local Government Infrastructure Financing Program Capital Reserve Fund Loan of 2009.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Local Government Infrastructure Financing Program Capital Reserve Fund Loan of 2009 in the total principal amount up to \$2,000,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

(2) The bonds to evidence this loan or installments of this loan may be sold as a single issue or may be consolidated and sold as part of a single issue of bonds under § 8–122 of the State Finance and Procurement Article.

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and

delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended, on approval by the Board of Public Works, for the following public purposes: as a grant or loan to the Community Development Administration of the Department of Housing and Community Development to replenish certain capital reserve funds created under the Local Government Infrastructure Financing Program as provided for under § 4-233.1 of the Housing and Community Development Article.

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

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that general obligation bonds authorized by this Act only be issued if the amount held in a capital reserve fund created under § 4-233.1 of the Housing and Community Development Article falls below the minimum capital reserve requirement established for that fund.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the \$2,000,000 of general obligation bonds authorized by this Act not be included as part of the annual general obligation debt limit recommended by the Capital Debt Affordability Committee, in accordance with § 8-112 of the State Finance and Procurement Article, unless and until the bonds authorized by this Act are issued. Further, it is the intent of the General Assembly that the Community Development Administration develop a repayment schedule, in consultation with the Comptroller, to reimburse the Annuity Bond Fund, within five years of the issuance of debt authorized under this Act, for the principal and interest costs of any debt issued.

SECTION 4. AND BE IT FURTHER ENACTED, That the Comptroller may, upon the request of the Community Development Administration, advance funds to replenish any capital reserve fund established pursuant to § 4-233.1 of the Housing and Community Development Article, provided that if general obligation bonds have not been issued under the authority of this Act, the next ensuing sale of general obligation bonds shall include the issuance of bonds under the authority of this Act in an amount at least equivalent to the amount of the funds so advanced.

SECTION 5. AND BE IT FURTHER ENACTED, That this enabling Act may not be subject to or terminate under § 8-128 of the State Finance and Procurement Article.

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2009, contingent on the taking effect of ~~Chapter _____ (S.B. _____/H.B. _____)~~ ~~(91-3035)~~ Chapter 627/628 (S.B. 931/H.B. 1331) of the Acts of the General Assembly of 2009, and if ~~Chapter _____ (S.B. _____/H.B. _____)~~ ~~(91-3035)~~ Chapter 627/628

(S.B. 931/H.B. 1331) does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly.

Approved by the Governor, May 19, 2009.