

SENATE BILL 26

B2

11r1091
CF HB 21

By: **Senator Colburn**

Introduced and read first time: January 17, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Dorchester County – Replica Choptank River**
3 **Lighthouse**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$300,000, the proceeds to be used as a grant to the Board of Directors of the
6 Choptank River Lighthouse Society, Inc. for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds, subject
8 to a requirement that the grantee provide and expend a matching fund;
9 establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing
11 the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Dorchester
16 County – Replica Choptank River Lighthouse Loan of 2011 in the total principal
17 amount of \$300,000. This loan shall be evidenced by the issuance, sale, and delivery of
18 State general obligation bonds authorized by a resolution of the Board of Public Works
19 and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
20 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
22 as a single issue or may be consolidated and sold as part of a single issue of bonds
23 under § 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant to the Board of Directors of the Choptank
3 River Lighthouse Society, Inc. (referred to hereafter in this Act as "the grantee") for
4 the design and construction of a replica of the Choptank River Lighthouse, located in
5 Cambridge.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
12 matching fund of \$148,000. No part of the grantee's matching fund may be provided,
13 either directly or indirectly, from funds of the State, whether appropriated or
14 unappropriated. No part of the fund may consist of real property. The fund may
15 consist of in kind contributions or funds expended prior to the effective date of this
16 Act. In case of any dispute as to the amount of the matching fund or what money or
17 assets may qualify as matching funds, the Board of Public Works shall determine the
18 matter and the Board's decision is final. The grantee has until June 1, 2013, to present
19 evidence satisfactory to the Board of Public Works that a matching fund will be
20 provided. If satisfactory evidence is presented, the Board shall certify this fact to the
21 State Treasurer, and the proceeds of the loan shall be expended for the purposes
22 provided in this Act.

23 (6) The proceeds of the loan must be expended or encumbered by the Board
24 of Public Works for the purposes provided in this Act no later than June 1, 2018. If any
25 funds authorized by this Act remain unexpended or unencumbered after June 1, 2018,
26 the amount of the unencumbered or unexpended authorization shall be canceled and
27 be of no further effect. If bonds have been issued for the loan, the amount of
28 unexpended or unencumbered bond proceeds shall be disposed of as provided in
29 § 8-129 of the State Finance and Procurement Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 June 1, 2011.