

# SENATE BILL 51

B2

(PRE-FILED)

4r0801  
CF 4r0896

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By: **Senator Colburn**

Requested: November 5, 2013

Introduced and read first time: January 8, 2014

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Dorchester County – Choptank River Lighthouse**  
3 **Museum Artifact Acquisition Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$25,000, the  
5 proceeds to be used as a grant to the Board of Directors of The Cambridge  
6 Lighthouse Foundation, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; establishing a deadline for the  
9 encumbrance or expenditure of the loan proceeds; and providing generally for  
10 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 Dorchester  
15 County – Choptank River Lighthouse Museum Artifact Acquisition Project Loan of  
16 2014 in a total principal amount equal to the lesser of (i) \$25,000 or (ii) the amount of  
17 the matching fund provided in accordance with Section 1(5) below. This loan shall be  
18 evidenced by the issuance, sale, and delivery of State general obligation bonds  
19 authorized by a resolution of the Board of Public Works and issued, sold, and delivered  
20 in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance and  
21 Procurement Article.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Board of Directors of The Cambridge  
5 Lighthouse Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the  
6 acquisition of artifacts and replicas of artifacts and the acquisition, planning, design,  
7 construction, repair, renovation, reconstruction, and capital equipping of related  
8 artifact exhibits at the Choptank River Lighthouse Museum, located in Dorchester  
9 County.

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. No part of the grantee's matching fund may be provided, either  
17 directly or indirectly, from funds of the State, whether appropriated or  
18 unappropriated. No part of the fund may consist of real property or in kind  
19 contributions. The fund may consist of funds expended prior to the effective date of  
20 this Act. In case of any dispute as to the amount of the matching fund or what money  
21 or assets may qualify as matching funds, the Board of Public Works shall determine  
22 the matter and the Board's decision is final. The grantee has until June 1, 2016, to  
23 present evidence satisfactory to the Board of Public Works that a matching fund will  
24 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
25 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
26 equal to the amount of the matching fund shall be expended for the purposes provided  
27 in this Act. Any amount of the loan in excess of the amount of the matching fund  
28 certified by the Board of Public Works shall be canceled and be of no further effect.

29 (6) The proceeds of the loan must be expended or encumbered by the Board  
30 of Public Works for the purposes provided in this Act no later than June 1, 2021. If any  
31 funds authorized by this Act remain unexpended or unencumbered after June 1, 2021,  
32 the amount of the unencumbered or unexpended authorization shall be canceled and  
33 be of no further effect. If bonds have been issued for the loan, the amount of  
34 unexpended or unencumbered bond proceeds shall be disposed of as provided in  
35 § 8-129 of the State Finance and Procurement Article.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 June 1, 2014.