

HOUSE BILL 801

B2

7lr2858
CF 7lr3459

By: **Delegates Carozza and Otto**

Introduced and read first time: February 3, 2017

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Worcester County – Ocean City Convention Center**
3 **Phase 3**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of \$1,335,000,
5 the proceeds to be used as a grant to the Mayor and City Council of the Town of
6 Ocean City for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee provide
8 and expend a matching fund; establishing a deadline for the encumbrance or
9 expenditure of the loan proceeds; and providing generally for the issuance and sale
10 of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
12 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 Worcester County
15 – Ocean City Convention Center Phase 3 Loan of 2017 in the total principal amount of
16 \$1,335,000. This loan shall be evidenced by the issuance, sale, and delivery of State general
17 obligation bonds authorized by a resolution of the Board of Public Works and issued, sold,
18 and delivered in accordance with §§ 8–117 through 8–124 and 8–131.2 of the State Finance
19 and Procurement Article.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as a
21 single issue or may be consolidated and sold as part of a single issue of bonds under §
22 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 and
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
26 the books of the Comptroller and expended, on approval by the Board of Public Works, for
27 the following public purposes, including any applicable architects' and engineers' fees: as a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 grant to the Mayor and City Council of the Town of Ocean City (referred to hereafter in this
2 Act as “the grantee”) for the acquisition, planning, design, construction, repair, renovation,
3 reconstruction, site improvement, and capital equipping of the Ocean City Convention
4 Center project, located in Worcester County.

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

9 (5) Prior to the payment of any funds under the provisions of this Act for the
10 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
11 fund of \$890,000. No part of the grantee’s matching fund may be provided, either directly
12 or indirectly, from funds of the State, whether appropriated or unappropriated. No part of
13 the fund may consist of real property, in kind contributions, or funds expended prior to the
14 effective date of this Act. In case of any dispute as to the amount of the matching fund or
15 what money or assets may qualify as matching funds, the Board of Public Works shall
16 determine the matter and the Board’s decision is final. The grantee has until June 1, 2019,
17 to present 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 State
19 Treasurer, and the proceeds of the loan shall be expended for the purposes provided in this
20 Act.

21 (6) The proceeds of the loan must be expended or encumbered by the Board of
22 Public Works for the purposes provided in this Act no later than June 1, 2024. If any funds
23 authorized by this Act remain unexpended or unencumbered after June 1, 2024, the
24 amount of the unencumbered or unexpended authorization shall be canceled and be of no
25 further effect. If bonds have been issued for the loan, the amount of unexpended or
26 unencumbered bond proceeds shall be disposed of as provided in § 8–129 of the State
27 Finance and Procurement Article.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
29 1, 2017.