

SENATE BILL 708

B2

7lr1321
CF 7lr2269

By: **Cecil County Senators**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Cecil County – Fair Hill Race Course**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000, the
4 proceeds to be used as a grant to the Board of Directors of The National Steeplechase
5 Foundation, Inc. for certain development or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee provide
7 and expend a matching fund; establishing a deadline for the encumbrance or
8 expenditure of the loan proceeds; and providing generally for the issuance and sale
9 of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Cecil County –
14 Fair Hill Race Course Loan of 2017 in a total principal amount equal to the lesser of (i)
15 \$250,000 or (ii) the amount of the matching fund provided in accordance with Section 1(5)
16 below. 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 Board of Directors of The National Steeplechase Foundation, Inc. (referred to
2 hereafter in this Act as “the grantee”) for the acquisition, planning, design, construction,
3 repair, renovation, reconstruction, site improvement, and capital equipping of the Fair Hill
4 Race Course, located in Cecil 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. No part of the grantee’s matching fund may be provided, either directly or indirectly,
12 from funds of the State, whether appropriated or unappropriated. No part of the fund may
13 consist of real property, in kind contributions, or funds expended prior to the effective date
14 of this Act. In case of any dispute as to the amount of the matching fund or what money or
15 assets may qualify as matching funds, the Board of Public Works shall determine the
16 matter and the Board’s decision is final. The grantee has until June 1, 2019, to present
17 evidence satisfactory to the Board of Public Works that a matching fund will be provided.
18 If satisfactory evidence is presented, the Board shall certify this fact and the amount of the
19 matching fund to the State Treasurer, and the proceeds of the loan equal to the amount of
20 the matching fund shall be expended for the purposes provided in this Act. Any amount of
21 the loan in excess of the amount of the matching fund certified by the Board of Public Works
22 shall be canceled and be of no further effect.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
31 1, 2017.