

SENATE BILL 2

B2

(PRE-FILED)

2lr0440
CF 2lr0946

By: **Senator Astle**

Requested: August 12, 2011

Introduced and read first time: January 11, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Anne Arundel County – Sprinkler Assistance**
3 **Revolving Fund**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$500,000, the proceeds to be used as a grant to the Board of Directors of the
6 Annapolis Economic Development Corporation for certain development or
7 improvement purposes; providing for disbursement of the loan proceeds;
8 establishing a deadline for the encumbrance or expenditure of the loan
9 proceeds; and providing generally for the issuance and sale of bonds evidencing
10 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 Anne Arundel
15 County – Sprinkler Assistance Revolving Fund Loan of 2012 in the total principal
16 amount of \$500,000. This loan shall be evidenced by the issuance, sale, and delivery of
17 State general obligation bonds authorized by a resolution of the Board of Public Works
18 and issued, sold, and delivered in accordance with §§ 8–117 through 8–124 of the State
19 Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold
21 as a single issue or may be consolidated and sold as part of a single issue of bonds
22 under § 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
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then
26 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 Annapolis
3 Economic Development Corporation for grants, loans, and other financial assistance in
4 the acquisition, design, construction, and capital equipping of fire sprinkler systems to
5 be installed in commercial and residential buildings located in Annapolis that are not
6 equipped with fire sprinkler systems.

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

11 (5) The proceeds of the loan must be expended or encumbered by the Board
12 of Public Works for the purposes provided in this Act no later than June 1, 2019. If any
13 funds authorized by this Act remain unexpended or unencumbered after June 1, 2019,
14 the amount of the unencumbered or unexpended authorization shall be canceled and
15 be of no further effect. If bonds have been issued for the loan, the amount of
16 unexpended or unencumbered bond proceeds shall be disposed of as provided in
17 § 8-129 of the State Finance and Procurement Article.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 June 1, 2012.