

FUND" IS CREATED AND CONTINUED. THE DEPARTMENT SHALL ADMINISTER THE FUND SOLELY TO PROVIDE INTEREST-FREE LOANS TO PERSONS, MUNICIPALITIES, OR COUNTIES FOR CONSTRUCTION OF SHORE EROSION STRUCTURES. THE FUND SHALL BE MAINTAINED BY:

(1) REPAYMENTS OF PRINCIPAL ON LOANS MADE FROM THE FUND, WITH THE REPAYMENTS MADE THROUGH A SPECIAL REAL ESTATE TAX THE STATE LEVIES ON PRIVATELY OWNED PROPERTY BENEFITED BY SHORE EROSION CONTROL PROJECTS. THE TAX SHALL COMPENSATE THE STATE FOR NET PROJECT CONSTRUCTION COST. THE TAX MAY BE LEVIED AT A UNIFORM RATE OVER A PERIOD NOT EXCEEDING 25 YEARS, AS THE STATE AND THE PROPERTY OWNER AGREE; AND

(2) ANNUAL APPROPRIATION OF GENERAL FUNDS TO RESTORE THE FUND TO A LEVEL SUFFICIENT TO CARRY OUT AN EFFECTIVE SHORE EROSION CONTROL CONSTRUCTION LOAN PROGRAM DURING THE SUCCEEDING YEAR.

A PROPERTY OWNER WHOSE PROJECT IS APPROVED IS ELIGIBLE TO RECEIVE AN INTEREST-FREE LOAN COVERING 100 PERCENT OF THE FIRST \$20,000 OF PROJECT CONSTRUCTION COST, 50 PERCENT OF THE NEXT \$10,000 OF PROJECT CONSTRUCTION COST, 25 PERCENT OF THE NEXT \$10,000 OF PROJECT CONSTRUCTION COST, AND TEN PERCENT OF THE PART OF CONSTRUCTION COST EXCEEDING \$40,000. HOWEVER, WHERE TWO OR MORE PROPERTY OWNERS ARE INCLUDED WITHIN A SHORE EROSION CONTROL PROJECT, AND PROJECT CONSTRUCTION COSTS EXCEED \$40,000, THE LAND OF EACH PROPERTY OWNER IS CONSIDERED A SEPARATE SHORE EROSION PROJECT FOR THE PURPOSE OF COMPUTING NET PROJECT CONSTRUCTION COST UNDER THIS FORMULA.

REVISOR'S NOTE: This subsection presently appears as Article 66C, section 758A(a) of the Code. The second sentence is proposed for deletion because it is obsolete. The only other changes made are in style.

(E) DURING THE FIRST MONTH OF EACH FISCAL YEAR, THE DEPARTMENT SHALL SUBMIT TO THE DEPARTMENT OF BUDGET AND FISCAL PLANNING AN ESTIMATE OF THE AMOUNT OF REVENUES THE FUND EXPECTS TO RECEIVE FROM REPAYMENT OF OUTSTANDING LOANS, AND THE AMOUNT OF GENERAL FUNDS REQUIRED TO REESTABLISH AN ADEQUATE BALANCE IN THE FUND TO MAKE LOANS DURING THE NEXT FISCAL YEAR.

REVISOR'S NOTE: This subsection presently appears as Article 66C, section 758A(b) of the Code. The only changes made are in style.