

(a) There is a "Shore Erosion Control Construction Loan Fund." 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] SHALL 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 [\$40,000] \$50,000 of project construction cost, 50 percent of the next \$20,000 of project construction cost, 25 percent of the next \$20,000 of project construction cost, and 10 percent of the part of construction cost exceeding [\$80,000] \$90,000. However, where two or more property owners are included within a shore erosion control project, and project construction costs exceed [\$80,000] \$100,000, 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.

[(c) When the department approves a shore erosion control project and signs an appropriate agreement with the owner of the benefited property, stipulating how the State will be reimbursed for net project construction costs, the department shall proceed, within budgetary limitation, to construct the project. On satisfactory completion of construction, any property owner's cash contribution shall be indorsed to the credit of the contractor. The Fund shall pay the balance of the payment due the contractor. Within 30 days thereafter, the department shall certify to the Board of Public Works payment of the construction costs and transmit a copy of the agreement specifying how the State will be reimbursed for the net project construction cost. The Board of Public Works shall levy a special tax, beginning in the next fiscal year, on the benefited property in conformity with this agreement.]

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8-1005(d) and (e), respectively, of Article - Natural Resources, of the Annotated Code of Maryland be renumbered to be Section(s) 8-1005(e) and (f), respectively.