

(4) The allocation and use of State funds under this Act are subject to the condition that a State grant may not exceed 60 percent of the eligible cost of a systemic renovation project.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1987.

Approved May 14, 1987.

CHAPTER 365

(Senate Bill 549)

AN ACT concerning

Creation of a State Debt - Beach Erosion Control Loan of 1987

FOR the purpose of authorizing the creation of a State Debt in the amount of \$5,000,000, the proceeds to be used by the Department of Natural Resources in accordance with certain law to provide State funds for the construction of a beach replenishment project for the Town of Ocean City; restricting the use of certain funds; requiring a certain report; --expressing legislative intent concerning the purchasing of certain easements; and providing generally for the issuance and sale of bonds evidencing the loan.

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

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Beach Erosion Control Loan of 1987 in the total principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

(2) The bonds to evidence this loan or installments of this loan may be sold as a single issue, or may be consolidated and