

8-1005.

(a) (1) There is a "Shore Erosion Control Construction Loan Fund". The Department shall administer the Fund to provide interest-free loans or grants to persons, municipalities, or counties for design and construction of shore erosion control projects. The Fund shall be maintained by:

(i) Repayments of principal on loans made from the Fund, with the repayments made through a benefit charge the State levies on privately owned property benefited by shore erosion control projects. The benefit charge shall compensate the State for net project construction cost. The benefit charge shall be levied at a uniform rate over a period not exceeding 25 years;

(ii) Repayment of administrative costs under § 8-1004 of this subtitle; ~~and~~

(iii) ~~ANY INVESTMENT EARNINGS GENERATED BY THE FUND; AND~~

~~(iv)~~ Annual appropriation of funds to restore the Fund to a level sufficient to carry out an effective shore erosion control construction loan program during the succeeding year.

~~(2) (i) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

(2) (I) ANY UNSPENT PORTIONS OF THE FUND AT THE END OF A FISCAL YEAR SHALL REVERT TO THE GENERAL FUND OF THE STATE. THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) ANY INVESTMENT EARNINGS OF THE FUND MAY NOT BE TRANSFERRED OR REVERT SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE, BUT SHALL REMAIN IN THE FUND.

(3) A property owner whose project is approved is eligible to receive an interest-free loan covering 100% of the first \$60,000 of project construction cost, 50% of the next \$20,000 of project construction cost, 25% of the next \$20,000 of project construction cost, and 10% of the part of construction cost exceeding \$100,000. However, where 2 or more property owners are included within a shore erosion control project, 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.

(b) During the first month of each fiscal year, the Department shall submit to the Department of Budget and Management:

(1) An estimate of the amount of revenues the Fund expects to receive from repayment of outstanding loans; and

(2) The amount of funds required to reestablish an adequate balance in the Fund to make loans during the next fiscal year.

(c) If it appears reasonably likely that funds will be available for an approved shore erosion control project, the Department shall develop complete plans,