
By: Delegates Boston, Montague, McIntosh, Doory, Kirk, Harrison, C. Davis, Opara, Hammen, C. Mitchell, T. Murphy, McHale, and Cummings

Introduced and read first time: February 5, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - U.S.S. Constellation and the U.S.S.**
3 **Constellation Loan of 1995**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$2,500,000,
5 the proceeds to be used as a grant to the Board of Directors of the Constellation
6 Foundation, Inc. for certain acquisition, development, or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that the
8 grantee provide and expend a matching fund; requiring the grantee to petition the
9 Secretary of the United States Navy to grant and convey to the Maryland Historical
10 Trust a historic easement; providing generally for the issuance and sale of bonds
11 evidencing the loan; and amending Chapter 287 of the Acts of the General
12 Assembly of 1995, the U.S.S. Constellation Loan of 1995, to alter the method of
13 providing the matching fund and to make technical changes.

14 BY repealing and reenacting, with amendments,
15 Chapter 287 of the Acts of the General Assembly of 1995
16 Section 1

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

19 (1) The Board of Public Works may borrow money and incur indebtedness on
20 behalf of the State of Maryland through a State loan to be known as the Baltimore City
21 - U.S.S. Constellation Loan of 1996 in a total principal amount equal to the lesser of (i)
22 \$2,500,000 or (ii) the amount of the matching fund provided in accordance with Section
23 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
24 general obligation bonds authorized by a resolution of the Board of Public Works and
25 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
26 Finance and Procurement Article and Article 31, § 22 of the Code.

27 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
28 single issue or may be consolidated and sold as part of a single issue of bonds under §
29 8-122 of the State Finance and Procurement Article.

30 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
31 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
32 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on

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1 the books of the Comptroller and expended, on approval by the Board of Public Works,
2 for the following public purposes, including any applicable architects'and engineers' fees:
3 as a grant to the Board of Directors of the Constellation Foundation, Inc. (referred to
4 hereafter in this Act as "the grantee") for the design, repair, restoration, improvement,
5 and preservation of the U.S.S. Constellation.

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

10 (5) (a) The grantee shall provide and expend a matching fund.

11 (b) No part of the grantee's matching fund may be provided, either directly
12 or indirectly, from funds of the State, whether appropriated or unappropriated. No part
13 of the fund may consist of real property. The fund may consist of in kind contributions
14 made after January 1, 1993 or funds expended prior to the effective date of this Act and
15 after January 1, 1993. In case of any dispute as to the amount of the matching fund or
16 what money or assets may qualify as matching funds, the Board of PublicWorks shall
17 determine the matter and the Board's decision is final.

18 (c) The grantee shall present evidence to the satisfaction of the Board of
19 Public Works of the provision and expenditure of the matching fund, andthe Board of
20 Public Works shall disburse the proceeds of the grant under the provisions of this Act for
21 the purposes set forth in Section 1(3) above, both to be done in installments.

22 (d) As the grantee provides and expends an installment of the matching
23 fund, the Board of Public Works shall disburse an installment of the proceeds of the grant
24 equal to the portion of the matching fund presented at that time by thegrantee.

25 (e) Each installment of the matching fund shall be of at least \$75,000.

26 (f) This method of presentation of the matching fund in installments and of
27 the disbursement of the proceeds of the loan in installments that are equal to each
28 presentation of the matching fund shall continue until the first to occur of the
29 disbursement of the total amount of the grant or June 1, 1999.

30 (g) The grantee has until June 1, 1999, to present the final evidence
31 satisfactory to the Board of Public Works that the total matching fund will be provided. If
32 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final
33 installment of the matching fund, and the amount of the total matching fund to the State
34 Treasurer, and the final proceeds of the loan equal to the final installment of the
35 matching fund shall be expended for the purposes provided in this Act. After June 1,
36 1999, any amount of the loan in excess of the amount of the matching fund certified by
37 the Board of Public Works shall be canceled and be of no further effect.

38 (6) (a) Prior to the issuance of the bonds, the grantee shall petition the
39 Secretary of the United States Navy to grant and convey to the MarylandHistorical Trust
40 a perpetual preservation easement to the extent of the interest of the United States Navy
41 on the historic vessel.

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1 (b) The easement must be in form and substance acceptable to the Trust
2 and the extent of the interest to be encumbered must be acceptable to the Trust.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
4 read as follows:

5 **Chapter 287 of the Acts of 1995**

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

8 (1) The Board of Public Works may borrow money and incur indebtedness
9 on behalf of the State of Maryland through a State loan to be known as the U.S.S.
10 Constellation Loan of 1995 in a total principal amount equal to the lesser of (i) \$500,000
11 or (ii) the amount of the matching fund provided in accordance with Section 1(5) below.
12 This loan shall be evidenced by the issuance, sale, and delivery of State general obligation
13 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
14 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
15 Procurement Article and Article 31, § 22 of the Code.

16 (2) The bonds to evidence this loan or installments of this loan may be sold
17 as a single issue or may be consolidated and sold as part of a single issue of bonds under
18 § 8-122 of the State Finance and Procurement Article.

19 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
20 and first shall be applied to the payment of the expenses of issuing, selling, and delivering
21 the bonds, unless funds for this purpose are otherwise provided, and then shall be
22 credited on the books of the Comptroller and expended, on approval by the Board of
23 Public Works, for the following public purposes, including any applicable architects' and
24 engineers' fees: as a grant to the [U.S.F.] Constellation Foundation, Inc. (referred to
25 hereafter in this Act as "the grantee") for the design, repair, restoration, improvement,
26 and preservation of the U.S.S. Constellation.

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

31 [(5) Prior to the payment of any funds under the provisions of this Act for
32 the purposes set forth in Section 1(3) above, the grantee shall provide and expend a
33 matching fund. No part of the grantee's matching fund may be provided, either directly or
34 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
35 the fund may consist of real property. The fund may include in kind contributions or
36 funds expended prior to the effective date of this Act. In case of any dispute as to the
37 amount of the matching fund or what money or assets may qualify as matching funds, the
38 Board of Public Works shall determine the matter and the Board's decision is final. The
39 grantee has until June 1, 1997, to present evidence satisfactory to the Board of Public
40 Works that a matching fund will be provided. If satisfactory evidence is presented, the
41 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
42 and the proceeds of the loan equal to the amount of the matching fund shall be expended
43 for the purposes provided in this Act. Any amount of the loan in excess of the amount of

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1 the matching fund certified by the Board of Public Works shall be canceled and be of no
2 further effect.]

3 (5) (A) THE GRANTEE SHALL PROVIDE AND EXPEND A MATCHING FUND.

4 (B) NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,
5 EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER
6 APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF
7 REAL PROPERTY. THE FUND MAY CONSIST OF IN KIND CONTRIBUTIONS MADE
8 AFTER JANUARY 1, 1993 OR FUNDS EXPENDED PRIOR TO THE EFFECTIVE DATE OF
9 THIS ACT AND AFTER JANUARY 1, 1993. IN CASE OF ANY DISPUTE AS TO THE AMOUNT
10 OF THE MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING
11 FUNDS, THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE
12 BOARD'S DECISION IS FINAL.

13 (C) THE GRANTEE SHALL PRESENT EVIDENCE TO THE SATISFACTION OF
14 THE BOARD OF PUBLIC WORKS OF THE PROVISION AND EXPENDITURE OF THE
15 MATCHING FUND, AND THE BOARD OF PUBLIC WORKS SHALL DISBURSE THE
16 PROCEEDS OF THE GRANT UNDER THE PROVISIONS OF THIS ACT FOR THE
17 PURPOSES SET FORTH IN SECTION 1(3) ABOVE, BOTH TO BE DONE IN INSTALLMENTS.

18 (D) AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF
19 THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN
20 INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE
21 MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.

22 (E) EACH INSTALLMENT OF THE MATCHING FUND SHALL BE OF AT
23 LEAST \$75,000.

24 (F) THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN
25 INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN
26 INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING
27 FUND SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF
28 THE TOTAL AMOUNT OF THE GRANT OR JUNE 1, 1997.

29 (G) THE GRANTEE HAS UNTIL JUNE 1, 1997, TO PRESENT THE FINAL
30 EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC WORKS THAT THE TOTAL
31 MATCHING FUND WILL BE PROVIDED. IF SATISFACTORY EVIDENCE IS PRESENTED,
32 THE BOARD SHALL CERTIFY THIS FACT, THE AMOUNT OF THE FINAL INSTALLMENT
33 OF THE MATCHING FUND, AND THE AMOUNT OF THE TOTAL MATCHING FUND TO
34 THE STATE TREASURER, AND THE FINAL PROCEEDS OF THE LOAN EQUAL TO THE
35 FINAL INSTALLMENT OF THE MATCHING FUND SHALL BE EXPENDED FOR THE
36 PURPOSES PROVIDED IN THIS ACT. AFTER JUNE 1, 1997, ANY AMOUNT OF THE LOAN
37 IN EXCESS OF THE AMOUNT OF THE MATCHING FUND CERTIFIED BY THE BOARD OF
38 PUBLIC WORKS SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.

39 (6) (a) Prior to the issuance of the bonds, the grantee shall petition the United
40 States Secretary of the Navy to grant and convey to the Maryland Historical Trust a
41 perpetual preservation easement to the extent of its interest on the historic vessel.

42 (b) The easement must be in form and substance acceptable to the Trust
43 and the extent of the interest to be encumbered must be acceptable to the Trust.

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1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 1996.