
By: Delegate Boston

Introduced and read first time: February 26, 1996

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **U.S.S. Constellation Loan of 1995**

3 FOR the purpose of amending Chapter 287 of the Acts of the General Assembly of 1995,
4 the U.S.S. Constellation Loan of 1995, to alter the method of providing the
5 matching fund and to make technical changes.

6 BY repealing and reenacting, with amendments,
7 Chapter 287 of the Acts of the General Assembly of 1995
8 Section 1

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
10 MARYLAND, That the Laws of Maryland read as follows:

11 **Chapter 287 of the Acts of 1995**

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

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

22 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
23 single issue or may be consolidated and sold as part of a single issue of bonds under §
24 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
26 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
27 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
28 the books of the Comptroller and expended, on approval by the Board of Public Works,
29 for the following public purposes, including any applicable architects' and engineers' fees:
30 as a grant to the [U.S.F.] Constellation Foundation, Inc. (referred to hereafter in this

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1 Act as "the grantee") for the design, repair, restoration, improvement, and preservation
2 of the U.S.S. Constellation.

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

7 [(5) Prior to the payment of any funds under the provisions of this Act for the
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
9 fund. No part of the grantee's matching fund may be provided, either directly or
10 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
11 the fund may consist of real property. The fund may include in kind contributions or
12 funds expended prior to the effective date of this Act. In case of any dispute as to the
13 amount of the matching fund or what money or assets may qualify as matching funds, the
14 Board of Public Works shall determine the matter and the Board's decision is final. The
15 grantee has until June 1, 1997, to present evidence satisfactory to the Board of Public
16 Works that a matching fund will be provided. If satisfactory evidence is presented, the
17 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
18 and the proceeds of the loan equal to the amount of the matching fund shall be expended
19 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
20 the matching fund certified by the Board of Public Works shall be canceled and be of no
21 further effect.]

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

23 (B) NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,
24 EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER
25 APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF
26 REAL PROPERTY. THE FUND MAY CONSIST OF IN KIND CONTRIBUTIONS MADE
27 AFTER JANUARY 1, 1993 OR FUNDS EXPENDED PRIOR TO THE EFFECTIVE DATE OF
28 THIS ACT AND AFTER JANUARY 1, 1993. IN CASE OF ANY DISPUTE AS TO THE AMOUNT
29 OF THE MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING
30 FUNDS, THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE
31 BOARD'S DECISION IS FINAL.

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

37 (D) AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF
38 THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN
39 INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE
40 MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.

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

1 (F) THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN
2 INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN
3 INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING
4 FUND SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF
5 THE TOTAL AMOUNT OF THE GRANT OR JUNE 1, 1997.

6 (G) THE GRANTEE HAS UNTIL JUNE 1, 1997, TO PRESENT THE FINAL
7 EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC WORKS THAT THE TOTAL
8 MATCHING FUND WILL BE PROVIDED. IF SATISFACTORY EVIDENCE IS PRESENTED,
9 THE BOARD SHALL CERTIFY THIS FACT, THE AMOUNT OF THE FINAL INSTALLMENT
10 OF THE MATCHING FUND, AND THE AMOUNT OF THE TOTAL MATCHING FUND TO
11 THE STATE TREASURER, AND THE FINAL PROCEEDS OF THE LOAN EQUAL TO THE
12 FINAL INSTALLMENT OF THE MATCHING FUND SHALL BE EXPENDED FOR THE
13 PURPOSES PROVIDED IN THIS ACT. AFTER JUNE 1, 1997, ANY AMOUNT OF THE LOAN
14 IN EXCESS OF THE AMOUNT OF THE MATCHING FUND CERTIFIED BY THE BOARD OF
15 PUBLIC WORKS SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.

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

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

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