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**By: Delegate Boston**

Introduced and read first time: February 26, 1996

Assigned to: Rules and Executive Nominations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 28, 1996

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CHAPTER \_\_\_\_

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.

1           (2) The bonds to evidence this loan or installments of this loan maybe sold as a  
2 single issue or may be consolidated and sold as part of a single issue of bonds under §  
3 8-122 of the State Finance and Procurement Article.

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

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

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

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

32                   (B) NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,  
33 EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER  
34 APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF  
35 REAL PROPERTY. THE FUND MAY CONSIST OF IN KIND CONTRIBUTIONS MADE  
36 AFTER JANUARY 1, 1993 OR FUNDS EXPENDED PRIOR TO THE EFFECTIVE DATE OF  
37 THIS ACT AND AFTER JANUARY 1, 1993. IN CASE OF ANY DISPUTE AS TO THE AMOUNT  
38 OF THE MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING  
39 FUNDS, THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE  
40 BOARD'S DECISION IS FINAL.

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

1 (D) AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF  
2 THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN  
3 INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE  
4 MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.

5 (E) EACH INSTALLMENT OF THE MATCHING FUND SHALL BE OF AT  
6 LEAST ~~\$75,000~~ \$250,000.

7 (F) THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN  
8 INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN  
9 INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING  
10 FUND SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF  
11 THE TOTAL AMOUNT OF THE GRANT OR JUNE 1, 1997.

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

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

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

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