

CF 6lr1438

By: Senators Della, Currie, Hollinger, Hoffman, Pica, Kelley, Forehand, Trotter, Kasemeyer, Lawlah, Pinsky, Sfikas, Ruben, and Boozer

Introduced and read first time: January 29, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1996

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - U.S.S. Sanctuary**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$900,000~~
 4 \$250,000, the proceeds to be used as a grant to the Board of Directors of Project
 5 Life, Inc. for certain acquisition, development, or improvement purposes; providing
 6 for disbursement of the loan proceeds, subject to a requirement that the grantee
 7 provide and expend a matching fund; requiring the grantee to grant and convey
 8 certain easements or covenants to the Maryland Historical Trust; and providing
 9 generally for the issuance and sale of bonds evidencing the loan.

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

12 (1) The Board of Public Works may borrow money and incur indebtedness on
 13 behalf of the State of Maryland through a State loan to be known as the Baltimore City
 14 - U.S.S. Sanctuary Loan of 1996 in a total principal amount equal to the lesser of (i)
 15 ~~\$900,000~~ \$250,000 or (ii) the amount of the matching fund provided in accordance with
 16 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
 17 State general obligation bonds authorized by a resolution of the Board of Public Works
 18 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
 19 Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

2

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 Project Life, Inc. (referred to hereafter in this Act
4 as "the grantee") for the repair, renovation, restoration, and reconstruction of, and for
5 the provision of capital equipment for, the former hospital ship, the U.S.S. Sanctuary, to
6 be used for residential educational programs for ~~women and children~~ individuals with
7 chemical dependencies.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
14 fund. No part of the grantee's matching fund may be provided, either directly or
15 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
16 the fund may consist of real property or in kind contributions. The fund may consist of
17 funds expended prior to the effective date of this Act. In case of any dispute as to the
18 amount of the matching fund or what money or assets may qualify as matching funds, the
19 Board of Public Works shall determine the matter and the Board's decision is final. The
20 grantee has until June 1, 1998, to present evidence satisfactory to the Board of Public
21 Works that a matching fund will be provided. If satisfactory evidence is presented, the
22 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
23 and the proceeds of the loan equal to the amount of the matching fund shall be expended
24 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
25 the matching fund certified by the Board of Public Works shall be canceled and be of no
26 further effect.

27 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to
28 the Maryland Historical Trust a perpetual preservation easement to the extent of its
29 interest:

30 (i) On the land or such portion of the land acceptable to the Trust;
31 and

32 (ii) On the exterior, where appropriate, of the historic structures.

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

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

