

By: Senator Pica

Introduced and read first time: February 2, 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. Constellation ~~and the U.S.S.~~**
3 **~~Constellation Loan of 1995~~**

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

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

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

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

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1 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
2 Finance and Procurement Article and Article 31, § 22 of the Code.

3 (2) The bonds to evidence this loan or installments of this loan maybe sold as a
4 single issue or may be consolidated and sold as part of a single issue of bonds under §
5 8-122 of the State Finance and Procurement Article.

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

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

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

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

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

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

33 (e) Each installment of the matching fund shall be of ~~at least \$75,000~~
34 \$250,000.

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

39 (g) The grantee has until June 1, 1999, to present the final evidence
40 satisfactory to the Board of Public Works that the total matching fund will be provided. If
41 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final
42 installment of the matching fund, and the amount of the total matching fund to the State

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1 Treasurer, and the final proceeds of the loan equal to the final installment of the
 2 matching fund shall be expended for the purposes provided in this Act. After June 1,
 3 1999, any amount of the loan in excess of the amount of the matching fund certified by
 4 the Board of Public Works shall be canceled and be of no further effect.

5 (6) (a) Prior to the issuance of the bonds, the grantee shall petition the
 6 Secretary of the United States Navy to grant and convey to the Maryland Historical Trust
 7 ~~a perpetual preservation easement to the extent of the interest of~~ an easement or
 8 covenant from the United States Navy on the historic vessel.

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

11 SECTION 2. AND BE IT FURTHER ENACTED, ~~That the Laws of Maryland~~
 12 ~~read as follows:~~

13 **~~Chapter 287 of the Acts of 1995~~**

14 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~
 15 ~~MARYLAND, That:~~

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

24 ~~(2) The bonds to evidence this loan or installments of this loan may be sold~~
 25 ~~as a single issue or may be consolidated and sold as part of a single issue of bonds under~~
 26 ~~§ 8-122 of the State Finance and Procurement Article.~~

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

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

39 ~~{(5) Prior to the payment of any funds under the provisions of this Act for~~
 40 ~~the purposes set forth in Section 1(3) above, the grantee shall provide and expend a~~
 41 ~~matching fund. No part of the grantee's matching fund may be provided, either directly or~~
 42 ~~indirectly, from funds of the State, whether appropriated or unappropriated. No part of~~

1 the fund may consist of real property. The fund may include in kind contributions or
 2 funds expended prior to the effective date of this Act. In case of any dispute as to the
 3 amount of the matching fund or what money or assets may qualify as matching funds, the
 4 Board of Public Works shall determine the matter and the Board's decision is final. The
 5 grantee has until June 1, 1997, to present evidence satisfactory to the Board of Public
 6 Works that a matching fund will be provided. If satisfactory evidence is presented, the
 7 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
 8 and the proceeds of the loan equal to the amount of the matching fund shall be expended
 9 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
 10 the matching fund certified by the Board of Public Works shall be canceled and be of no
 11 further effect.]

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

13 ~~(B) NO PART OF THE GRANTEE'S MATCHING FUND MAY BE PROVIDED,~~
 14 ~~EITHER DIRECTLY OR INDIRECTLY, FROM FUNDS OF THE STATE, WHETHER~~
 15 ~~APPROPRIATED OR UNAPPROPRIATED. NO PART OF THE FUND MAY CONSIST OF~~
 16 ~~REAL PROPERTY. THE FUND MAY CONSIST OF IN KIND CONTRIBUTIONS MADE~~
 17 ~~AFTER JANUARY 1, 1993 OR FUNDS EXPENDED PRIOR TO THE EFFECTIVE DATE OF~~
 18 ~~THIS ACT AND AFTER JANUARY 1, 1993. IN CASE OF ANY DISPUTE AS TO THE AMOUNT~~
 19 ~~OF THE MATCHING FUND OR WHAT MONEY OR ASSETS MAY QUALIFY AS MATCHING~~
 20 ~~FUNDS, THE BOARD OF PUBLIC WORKS SHALL DETERMINE THE MATTER AND THE~~
 21 ~~BOARD'S DECISION IS FINAL.~~

22 ~~(C) THE GRANTEE SHALL PRESENT EVIDENCE TO THE SATISFACTION OF~~
 23 ~~THE BOARD OF PUBLIC WORKS OF THE PROVISION AND EXPENDITURE OF THE~~
 24 ~~MATCHING FUND, AND THE BOARD OF PUBLIC WORKS SHALL DISBURSE THE~~
 25 ~~PROCEEDS OF THE GRANT UNDER THE PROVISIONS OF THIS ACT FOR THE~~
 26 ~~PURPOSES SET FORTH IN SECTION 1(3) ABOVE, BOTH TO BE DONE IN INSTALLMENTS.~~

27 ~~(D) AS THE GRANTEE PROVIDES AND EXPENDS AN INSTALLMENT OF~~
 28 ~~THE MATCHING FUND, THE BOARD OF PUBLIC WORKS SHALL DISBURSE AN~~
 29 ~~INSTALLMENT OF THE PROCEEDS OF THE GRANT EQUAL TO THE PORTION OF THE~~
 30 ~~MATCHING FUND PRESENTED AT THAT TIME BY THE GRANTEE.~~

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

33 ~~(F) THIS METHOD OF PRESENTATION OF THE MATCHING FUND IN~~
 34 ~~INSTALLMENTS AND OF THE DISBURSEMENT OF THE PROCEEDS OF THE LOAN IN~~
 35 ~~INSTALLMENTS THAT ARE EQUAL TO EACH PRESENTATION OF THE MATCHING~~
 36 ~~FUND SHALL CONTINUE UNTIL THE FIRST TO OCCUR OF THE DISBURSEMENT OF~~
 37 ~~THE TOTAL AMOUNT OF THE GRANT OR JUNE 1, 1997.~~

38 ~~(G) THE GRANTEE HAS UNTIL JUNE 1, 1997, TO PRESENT THE FINAL~~
 39 ~~EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC WORKS THAT THE TOTAL~~
 40 ~~MATCHING FUND WILL BE PROVIDED. IF SATISFACTORY EVIDENCE IS PRESENTED,~~
 41 ~~THE BOARD SHALL CERTIFY THIS FACT, THE AMOUNT OF THE FINAL INSTALLMENT~~
 42 ~~OF THE MATCHING FUND, AND THE AMOUNT OF THE TOTAL MATCHING FUND TO~~
 43 ~~THE STATE TREASURER, AND THE FINAL PROCEEDS OF THE LOAN EQUAL TO THE~~
 44 ~~FINAL INSTALLMENT OF THE MATCHING FUND SHALL BE EXPENDED FOR THE~~

1 ~~PURPOSES PROVIDED IN THIS ACT. AFTER JUNE 1, 1997, ANY AMOUNT OF THE LOAN~~
2 ~~IN EXCESS OF THE AMOUNT OF THE MATCHING FUND CERTIFIED BY THE BOARD OF~~
3 ~~PUBLIC WORKS SHALL BE CANCELED AND BE OF NO FURTHER EFFECT.~~

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

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

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