

CF 7r2521

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Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 1997

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 ~~\$700,000~~
4 \$500,000, 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 a
8 certain covenant to the Maryland Historical Trust; and providing generally for the
9 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 1997 in a total principal amount equal to the lesser of (i)
15 ~~\$700,000~~ \$500,000 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
2 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
3 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
4 the books of the Comptroller and expended, on approval by the Board of Public Works,
5 for the following public purposes, including any applicable architects' and engineers' fees:
6 as a grant to the Board of Directors of Project Life, Inc. (referred to hereafter in this Act
7 as "the grantee") for the repair, renovation, restoration, and reconstruction of, and for
8 the provision of capital equipment for, the former hospital ship, the U.S.S. Sanctuary, to
9 be used for residential educational programs for women with chemical dependencies.

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

14 (5) Prior to the payment of any funds under the provisions of this Act for the
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
16 fund. No part of the grantee's matching fund may be provided, either directly or
17 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
18 the fund may consist of real property or funds expended prior to the effective date of this
19 Act. The matching fund may consist of the ship, the U.S.S. Sanctuary, the value of which
20 is in excess of \$5,000,000. In case of any dispute as to the amount of the matching fund or
21 what money or assets may qualify as matching funds, the Board of Public Works shall
22 determine the matter and the Board's decision is final. The grantee has until June 1,
23 1999, to present evidence satisfactory to the Board of Public Works that a matching fund
24 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
25 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
26 equal to the amount of the matching fund shall be expended for the purposes provided in
27 this Act. Any amount of the loan in excess of the amount of the matching fund certified
28 by the Board of Public Works shall be canceled and be of no further effect.

29 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey to
30 the Maryland Historical Trust a perpetual preservation covenant to the extent of its
31 interest on the exterior and interior, where appropriate, of the historic vessel.

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

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 June 1, 1997.