

CF 7lr1762

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**By: Delegate Boston**

Introduced and read first time: January 31, 1997

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 1997

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - U.S.S. Constellation and the U.S.S.**3 **Constellation Loans of 1995 and 1996**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$2,000,000~~  
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 certain easements or covenants; ~~and~~ providing  
11 generally for the issuance and sale of bonds evidencing the loan; amending Chapter  
12 287 of the Acts of the General Assembly of 1995, the Baltimore City - U.S.S.  
13 Constellation Loan of 1995, as amended by Chapter 340 of the Acts of the General  
14 Assembly of 1996, to alter the kind of matching funds that are required and to  
15 extend the time by which the grantee shall provide and expend a matching fund; and  
16 amending Chapter 144 of the Acts of the General Assembly of 1996, the Baltimore  
17 City - U.S.S. Constellation Loan of 1996, to alter the kind of matching funds that  
18 are required.

19 BY repealing and reenacting, with amendments,20 Chapter 287 of the Acts of the General Assembly of 1995, as amended by Chapter21 340 of the Acts of the General Assembly of 199622 Section 123 BY repealing and reenacting, with amendments,24 Chapter 144 of the Acts of the General Assembly of 199625 Section 1

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

3 (1) The Board of Public Works may borrow money and incur indebtedness on  
4 behalf of the State of Maryland through a State loan to be known as the Baltimore City  
5 - U.S.S. Constellation Loan of 1997 in a total principal amount equal to the lesser of (i)  
6 ~~\$2,000,000~~ \$500,000 or (ii) the amount of the matching fund provided in accordance with  
7 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of  
8 State general obligation bonds authorized by a resolution of the Board of Public Works  
9 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
10 Finance and Procurement Article and Article 31, § 22 of the Code.

11 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
12 single issue or may be consolidated and sold as part of a single issue of bonds under §  
13 8-122 of the State Finance and Procurement Article.

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

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

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

27 (b) No part of the grantee's matching fund may be provided, either directly  
28 or indirectly, from funds of the State, whether appropriated or unappropriated. No part  
29 of the fund may consist of real property. The fund may consist of in kind contributions  
30 made after January 1, 1993 or funds expended prior to the effective date of this Act and  
31 after January 1, 1993. The matching fund, including in kind contributions, may consist of  
32 items that are necessary to the renovation of the ship, including but not limited to tools  
33 and tooling, utilities, and the rental and repair of facilities. In case of any dispute as to the  
34 amount of the matching fund or what money or assets may qualify as matching funds, the  
35 Board of Public Works shall determine the matter and the Board's decision is final.

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

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

43 (e) Each installment of the matching fund shall be of at least \$250,000.

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1 (f) This method of presentation of the matching fund in installments and of  
2 the disbursement of the proceeds of the loan in installments that are equal to each  
3 presentation of the matching fund shall continue until the first to occur of the  
4 disbursement of the total amount of the grant or June 1, 2000.

5 (g) The grantee has until June 1, 2000, to present the final evidence  
6 satisfactory to the Board of Public Works that the total matching fund will be provided. If  
7 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final  
8 installment of the matching fund, and the amount of the total matching fund to the State  
9 Treasurer, and the final proceeds of the loan equal to the final installment of the  
10 matching fund shall be expended for the purposes provided in this Act. After June 1,  
11 2000, any amount of the loan in excess of the amount of the matching fund certified by  
12 the Board of Public Works shall be canceled and be of no further effect.

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

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

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
20 read as follows:

21 **Chapter 287 of the Acts of 1995, as amended by Chapter 340 of the Acts of 1996**

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
23 MARYLAND, That:

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

32 (2) The bonds to evidence this loan or installments of this loan may be sold as a  
33 single issue or may be consolidated and sold as part of a single issue of bonds under §  
34 8-122 of the State Finance and Procurement Article.

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

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

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

6                   (b) No part of the grantee's matching fund may be provided, either directly  
7 or indirectly, from funds of the State, whether appropriated or unappropriated. No part  
8 of the fund may consist of real property. The fund may consist of in kind contributions  
9 made after January 1, 1993 or funds expended prior to the effective date of this Act and  
10 after January 1, 1993. THE MATCHING FUND, INCLUDING IN KIND CONTRIBUTIONS,  
11 MAY CONSIST OF ITEMS THAT ARE NECESSARY TO THE RENOVATION OF THE SHIP,  
12 INCLUDING BUT NOT LIMITED TO TOOLS AND TOOLING, UTILITIES, AND THE  
13 RENTAL AND REPAIR OF FACILITIES. In case of any dispute as to the amount of the  
14 matching fund or what money or assets may qualify as matching funds, the Board of  
15 Public Works shall determine the matter and the Board's decision is final.

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

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

23                   (e) Each installment of the matching fund shall be of at least \$250,000.

24                   (f) This method of presentation of the matching fund in installments and of  
25 the disbursement of the proceeds of the loan in installments that are equal to each  
26 presentation of the matching fund shall continue until the first to occur of the  
27 disbursement of the total amount of the grant or June 1, [1997] 1998.

28                   (g) The grantee has until June 1, [1997] 1998, to present the final evidence  
29 satisfactory to the Board of Public Works that the total matching fund will be provided. If  
30 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final  
31 installment of the matching fund, and the amount of the total matching fund to the State  
32 Treasurer, and the final proceeds of the loan equal to the final installment of the  
33 matching fund shall be expended for the purposes provided in this Act. After June 1,  
34 [1997] 1998, any amount of the loan in excess of the amount of the matching fund  
35 certified by the Board of Public Works shall be canceled and be of no further effect.

36                   (6) (a) Prior to the issuance of the bonds, the grantee shall petition the [United  
37 States] Secretary of the UNITED STATES Navy to grant and convey to the Maryland  
38 Historical Trust a perpetual preservation [easement] COVENANT to the extent of [its]  
39 THE interest OF THE UNITED STATES NAVY on the historic vessel.

40                   (b) The [easement] COVENANT must be in form and substance  
41 acceptable to the Trust and the extent of the interest to be encumbered must be  
42 acceptable to the Trust.

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1           **Chapter 144 of the Acts of 1996**

2           SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
3 MARYLAND, That:

4           (1) The Board of Public Works may borrow money and incur indebtedness on  
5 behalf of the State of Maryland through a State loan to be known as the Baltimore City  
6 - U.S.S. Constellation Loan of 1996 in a total principal amount equal to the lesser of (i)  
7 \$500,000 or (ii) the amount of the matching fund provided in accordance with Section  
8 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State  
9 general obligation bonds authorized by a resolution of the Board of Public Works and  
10 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State  
11 Finance and Procurement Article and Article 31, § 22 of the Code.

12           (2) The bonds to evidence this loan or installments of this loan may be sold as a  
13 single issue or may be consolidated and sold as part of a single issue of bonds under §  
14 8-122 of the State Finance and Procurement Article.

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

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

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

28                   (b) No part of the grantee's matching fund may be provided, either directly  
29 or indirectly, from funds of the State, whether appropriated or unappropriated. No part  
30 of the fund may consist of real property. The fund may consist of in kind contributions  
31 made after January 1, 1993 or funds expended prior to the effective date of this Act and  
32 after January 1, 1993. THE MATCHING FUND, INCLUDING IN KIND CONTRIBUTIONS,  
33 MAY CONSIST OF ITEMS THAT ARE NECESSARY TO THE RENOVATION OF THE SHIP,  
34 INCLUDING BUT NOT LIMITED TO TOOLS AND TOOLING, UTILITIES, AND THE  
35 RENTAL AND REPAIR OF FACILITIES. In case of any dispute as to the amount of the  
36 matching fund or what money or assets may qualify as matching funds, the Board of  
37 Public Works shall determine the matter and the Board's decision is final.

38                   (c) The grantee shall present evidence to the satisfaction of the Board of  
39 Public Works of the provision and expenditure of the matching fund, and the Board of  
40 Public Works shall disburse the proceeds of the grant under the provisions of this Act for  
41 the 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 the matching  
2 fund, the Board of Public Works shall disburse an installment of the proceeds of the grant  
3 equal to the portion of the matching fund presented at that time by the grantee.

4                   (e) Each installment of the matching fund shall be of \$250,000.

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

9                   (g) The grantee has until June 1, 1999, to present the final evidence  
10 satisfactory to the Board of Public Works that the total matching fund will be provided. If  
11 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final  
12 installment of the matching fund, and the amount of the total matching fund to the State  
13 Treasurer, and the final proceeds of the loan equal to the final installment of the  
14 matching fund shall be expended for the purposes provided in this Act. After June 1,  
15 1999, any amount of the loan in excess of the amount of the matching fund certified by  
16 the Board of Public Works shall be canceled and be of no further effect.

17                   (6) (a) Prior to the issuance of the bonds, the grantee shall petition the  
18 Secretary of the United States Navy to grant and convey to the Maryland Historical Trust  
19 [an easement or] A PERPETUAL PRESERVATION covenant [from the United States  
20 Navy] TO THE EXTENT OF THE INTEREST OF THE UNITED STATES NAVY on the  
21 historic vessel.

22                   (b) The [easement] COVENANT must be in form and substance acceptable  
23 to the Trust and the extent of the interest to be encumbered must be acceptable to the  
24 Trust.

25                   SECTION ~~2~~ 3, AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 June 1, 1997.