

CF 7r1761

By: Senator McFadden

Introduced and read first time: January 21, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$2,000,000,
4 the proceeds to be used as a grant to the Board of Directors of the Constellation
5 Foundation, Inc. for certain acquisition, development, or improvement purposes;
6 providing for disbursement of the loan proceeds, subject to a requirement that the
7 grantee provide and expend a matching fund; requiring the grantee to petition the
8 Secretary of the United States Navy to grant and convey to the Maryland Historical
9 Trust certain easements or covenants; and providing generally for the issuance and
10 sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Baltimore City
15 - U.S.S. Constellation Loan of 1997 in a total principal amount equal to the lesser of (i)
16 \$2,000,000 or (ii) the amount of the matching fund provided in accordance with Section
17 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
18 general obligation bonds authorized by a resolution of the Board of Public Works and
19 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
20 Finance and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as a
22 single issue or may be consolidated and sold as part of a single issue of bonds under §
23 8-122 of the State Finance and Procurement Article.

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

32 (4) An annual State tax is imposed on all assessable property in the State in rate
33 and amount sufficient to pay the principal of and interest on the bonds, as and when due

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1 and until paid in full. The principal shall be discharged within 15 years after the date of
2 issuance of the bonds.

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

4 (b) No part of the grantee's matching fund may be provided, either directly
5 or indirectly, from funds of the State, whether appropriated or unappropriated. No part
6 of the fund may consist of real property. The fund may consist of in kind contributions
7 made after January 1, 1993 or funds expended prior to the effective date of this Act and
8 after January 1, 1993. In case of any dispute as to the amount of the matching fund or
9 what money or assets may qualify as matching funds, the Board of Public Works shall
10 determine the matter and the Board's decision is final.

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

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

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

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

23 (g) The grantee has until June 1, 2000, to present the final evidence
24 satisfactory to the Board of Public Works that the total matching fund will be provided. If
25 satisfactory evidence is presented, the Board shall certify this fact, the amount of the final
26 installment of the matching fund, and the amount of the total matching fund to the State
27 Treasurer, and the final proceeds of the loan equal to the final installment of the
28 matching fund shall be expended for the purposes provided in this Act. After June 1,
29 2000, any amount of the loan in excess of the amount of the matching fund certified by
30 the Board of Public Works shall be canceled and be of no further effect.

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

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

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