

CF 7r0705

By: Senators Forehand, Hoffman, Ruben, Lawlah, Kelley, Hollinger, Conway, Roesser, Della, Stone, and Madden

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 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; and providing generally for the issuance and
8 sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Baltimore City
13 - U.S.S. Sanctuary Loan of 1997 in a total principal amount equal to the lesser of (i)
14 ~~\$700,000~~ \$500,000 or (ii) the amount of the matching fund provided in accordance with
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
16 State general obligation bonds authorized by a resolution of the Board of Public Works
17 and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
18 Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

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1 for the following public purposes, including any applicable architects' and engineers' fees:
2 as a grant to the Board of Directors of Project Life, Inc. (referred to hereafter in this Act
3 as "the grantee") for the repair, renovation, restoration, and reconstruction of, and for
4 the provision of capital equipment for the former hospital ship, the U.S.S. Sanctuary, to
5 be used for residential educational programs for women with chemical dependencies.

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

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

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