

HOUSE BILL 133

Unofficial Copy
B2

1998 Regular Session
(8r0737)

ENROLLED BILL
-- Appropriations/Budget and Taxation --

Introduced by ~~Delegates Curran~~ **Doory and Rawlings**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

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 ~~\$1,000,000~~
4 \$750,000 \$525,000, the proceeds to be used as a grant to the Board of Directors
5 of the Constellation Foundation, Inc. for certain acquisition, development, or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 requiring the grantee to petition the Secretary of the United States Navy to
9 grant and convey to the Maryland Historical Trust a certain covenant on the
10 historic vessel; and providing generally for the issuance and sale of bonds
11 evidencing the loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Baltimore
16 City - U.S.S. Constellation Loan of 1998 in a total principal amount equal to the

1 lesser of (i) ~~\$1,000,000~~ ~~\$750,000~~ \$525,000 or (ii) the amount of the matching fund
2 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
3 issuance, sale, and delivery of State general obligation bonds authorized by a
4 resolution of the Board of Public Works and issued, sold, and delivered in accordance
5 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
6 Article 31, § 22 of the Code.

7 (2) The bonds to evidence this loan or installments of this loan may be sold as
8 a single issue or may be consolidated and sold as part of a single issue of bonds under
9 § 8-122 of the State Finance and Procurement Article.

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

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

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

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

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

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

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

1 (f) This method of presentation of the matching fund in installments and
2 of 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, 2001.

5 (g) The grantee has until June 1, 2001, to present the final evidence
6 satisfactory to the Board of Public Works that the total matching fund will be
7 provided. If satisfactory evidence is presented, the Board shall certify this fact, the
8 amount of the final installment of the matching fund, and the amount of the total
9 matching fund to the State Treasurer, and the final proceeds of the loan equal to the
10 final installment of the matching fund shall be expended for the purposes provided in
11 this Act. After June 1, 2001, any amount of the loan in excess of the amount of the
12 matching fund certified by the Board of Public Works shall be canceled and be of no
13 further effect.

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

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 1998.