

HOUSE BILL 573

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SB 250/97 - B&T

1998 Regular Session
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CF 8r1126

By: **Delegates Dewberry, McIntosh, Klima, McHale, Stocksdale, Hammen,
Getty, Conroy, Conway, Rawlings, Rosenberg, W. Baker, Cadden,
Franchot, T. Murphy, and Pitkin**

Introduced and read first time: February 6, 1998
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 31, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Project Liberty Ship**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
4 the proceeds to be used as a grant to the Board of Directors of Project Liberty
5 Ship of Baltimore, Inc. for certain acquisition, development, or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a
7 requirement that the grantee provide and expend a matching fund; providing
8 generally for the issuance and sale of bonds evidencing the loan; and requiring
9 the grantee to grant and convey a historic easement to the Maryland Historical
10 Trust.

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
15 City - Project Liberty Ship Loan of 1998 in a total principal amount equal to the
16 lesser of (i) \$500,000 or (ii) the amount of the matching fund provided in accordance
17 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and
18 delivery of State general obligation bonds authorized by a resolution of the Board of
19 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
20 8-124 of the State 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
22 a 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.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of Project Liberty
7 Ship of Baltimore, Inc. (referred to hereafter in this Act as "the grantee") for the
8 repair, renovation, and preservation, including rivet replacement and improvements
9 to the museum and exhibit spaces, of the historic Maryland-built Liberty Ship, the
10 John W. Brown, which is used as a living educational facility for those who visit, sail,
11 and work on the ship today and as a tribute to merchant marines, the United States
12 Naval Armed Guards, and shipyard workers who sailed and built the Liberty Fleet.

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

17 (5) Prior to the payment of any funds under the provisions of this Act for the
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
19 matching fund. No part of the grantee's matching fund may be provided, either
20 directly or indirectly, from funds of the State, whether appropriated or
21 unappropriated. No part of the fund may consist of real property, in kind
22 contributions, or funds expended prior to the effective date of this Act. In case of any
23 dispute as to the amount of the matching fund or what money or assets may qualify
24 as matching funds, the Board of Public Works shall determine the matter and the
25 Board's decision is final. The grantee has until June 1, 2000, to present evidence
26 satisfactory to the Board of Public Works that a matching fund will be provided. If
27 satisfactory evidence is presented, the Board shall certify this fact and the amount of
28 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
29 amount of the matching fund shall be expended for the purposes provided in this Act.
30 Any amount of the loan in excess of the amount of the matching fund certified by the
31 Board of Public Works shall be canceled and be of no further effect.

32 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
33 to the Maryland Historical Trust a perpetual preservation ~~easement~~ covenant to the
34 extent of its interest on the exterior and interior, where appropriate, of the historic
35 vessel.

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

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

