

SENATE BILL 430

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SB 250/97 - B&T

1998 Regular Session
8lr1126
CF 8lr1125

By: **Senators Blount, Boozer, Hoffman, Neall, and Sfikas**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

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.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Directors of Project Liberty
30 Ship of Baltimore, Inc. (referred to hereafter in this Act as "the grantee") for the
31 repair, renovation, and preservation, including rivet replacement and improvements
32 to the museum and exhibit spaces, of the historic Maryland-built Liberty Ship, the

1 John W. Brown, which is used as a living educational facility for those who visit, sail,
2 and work on the ship today and as a tribute to merchant marines, the United States
3 Naval Armed Guards, and shipyard workers who sailed and built the Liberty Fleet.

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

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

23 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
24 to the Maryland Historical Trust a perpetual preservation easement to the extent of
25 its interest on the exterior and interior, where appropriate, of the historic vessel.

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

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