

SENATE BILL 430

Unofficial Copy  
B2  
SB 250/97 - B&T

1998 Regular Session  
8lr1126  
CF 8lr1125

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

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1998

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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 \$350,000, the proceeds to be used as a grant to the Board of Directors of Project  
5 Liberty Ship of Baltimore, 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 providing generally for the issuance and sale of bonds evidencing the loan; and  
9 requiring the grantee to grant and convey a historic easement to the Maryland  
10 Historical 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~~ \$350,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of 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 to the extent of  
34 its interest on the exterior and interior, where appropriate, of 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, 1998.

