

SENATE BILL 117

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B2

1999 Regular Session
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By: **Senators Bromwell, Della, McFadden, Hoffman, Mitchell, and Hollinger**
Introduced and read first time: January 22, 1999
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: April 1, 1999

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 ~~\$1,200,000~~
4 \$800,000, the proceeds to be used as a grant to the Board of Directors of the
5 Constellation Foundation, Inc. for certain 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; and
8 providing generally for the issuance and 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
13 City - U.S.S. Constellation Loan of 1999 in a total principal amount equal to the
14 lesser of (i) ~~\$1,200,000~~ \$800,000 or (ii) the amount of the matching fund provided in
15 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
16 and delivery of State general obligation bonds authorized by a resolution of the Board
17 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
18 8-124 of the State 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
20 a 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
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the

1 Board of Public Works, for the following public purposes, including any applicable
2 architects' and engineers' fees: as a grant the Board of Directors of the Constellation
3 Foundation, Inc. for the design, repair, restoration, improvement, and preservation of
4 the U.S.S. Constellation.

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

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

10 (b) 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. The fund may
13 consist of in kind contributions made after January 1, 1993 or funds expended prior to
14 the effective date of this Act and after January 1, 1993. The matching fund, including
15 in kind contributions, may consist of items that are necessary to the renovation of the
16 ship, including but not limited to tools and tooling, utilities, and the rental and repair
17 of facilities. In case of any dispute as to the amount of the matching fund or what
18 money or assets may qualify as matching funds, the Board of Public Works shall
19 determine the matter and the Board's decision is final.

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

24 (d) As the grantee provides and expends an installment of the matching
25 fund, which shall be equal to at least 25% of the grant amount authorized in Section
26 1(1) above, the Board of Public Works shall disburse an installment of the proceeds of
27 the grant equal to the portion of the matching fund presented at that time by the
28 grantee.

29 ~~(e) Each installment of the matching fund shall be of at least \$100,000.~~

30 ~~(e)~~ (e) This method of presentation of the matching fund in
31 installments and of the disbursement of the proceeds of the loan in installments that
32 are equal to each presentation of the matching fund shall continue until the first to
33 occur of the disbursement of the total amount of the grant or June 1, 2002.

34 ~~(g)~~ (f) The grantee has until June 1, 2002, to present the final
35 evidence satisfactory to the Board of Public Works that the total matching fund will
36 be provided. If satisfactory evidence is presented, the Board shall certify this fact, the
37 amount of the final installment of the matching fund, and the amount of the total
38 matching fund to the State Treasurer, and the final proceeds of the loan equal to the
39 final installment of the matching fund shall be expended for the purposes provided in
40 this Act. After June 1, 2002, any amount of the loan in excess of the amount of the
41 matching fund certified by the Board of Public Works shall be canceled and be of no
42 further effect.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect June 1, 1999.