

SENATE BILL 292

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B2

1999 Regular Session
9r1614
CF 9r1034

By: **Senator Baker**

Introduced and read first time: February 4, 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 - Kent County - Schooner Sultana Project**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$450,000~~
4 \$50,000, the proceeds to be used as a grant to the Board of Directors of the
5 Chester River Craft and Art, 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 Kent County
13 - Schooner Sultana Project Loan of 1999 in a total principal amount equal to the
14 lesser of (i) ~~\$450,000~~ \$50,000, 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 to the Board of Directors of the Chester
3 River Craft and Art, Inc. (referred to hereafter in this Act as "the grantee") for the
4 planning, design, construction, and capital equipping of a reproduction of the 1767
5 schooner "Sultana", for use as a "hands on" classroom for the teaching of colonial
6 history, environmental science, and vocational skills.

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

11 (5) Prior to the payment of any funds under the provisions of this Act for the
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
13 matching fund. No part of the grantee's matching fund may be provided, either
14 directly or indirectly, from funds of the State, whether appropriated or
15 unappropriated. No part of the fund may consist of in kind contributions. ~~The fund~~
16 ~~may consist of~~ real property, or funds expended prior to the effective date of this Act.
17 In case of any dispute as to the amount of the matching fund or what money or assets
18 may qualify as matching funds, the Board of Public Works shall determine the matter
19 and the Board's decision is final. The grantee has until June 1, 2001, to present
20 evidence satisfactory to the Board of Public Works that a matching fund will be
21 provided. If satisfactory evidence is presented, the Board shall certify this fact and
22 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
23 equal to the amount of the matching fund shall be expended for the purposes provided
24 in this Act. Any amount of the loan in excess of the amount of the matching fund
25 certified by the Board of Public Works shall be canceled and be of no further effect.

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