

SENATE BILL 328

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B2

1998 Regular Session
8r1685
CF 8r1684

By: **Senators Ruben, Forehand, Blount, Boozer, Munson, McFadden, Van Hollen, Lawlah, Kasemeyer, Roesser, Hogan, and Hollinger**

Introduced and read first time: February 5, 1998

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - The Johns Hopkins University - Montgomery**
3 **County Campus**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$3,000,000,
5 the proceeds to be used as a grant to The Johns Hopkins University for certain
6 acquisition, development, or improvement purposes; providing for disbursement
7 of the loan proceeds, subject to a requirement that the grantee provide and
8 expend a matching fund; and providing generally for the issuance and sale of
9 bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as The Johns
14 Hopkins University - Montgomery County Campus Loan of 1998 in a total principal
15 amount equal to the lesser of (i) \$3,000,000 or (ii) the amount of the matching fund
16 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
17 issuance, sale, and delivery of State general obligation bonds authorized by a
18 resolution of the Board of Public Works and issued, sold, and delivered in accordance
19 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
20 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 Johns Hopkins University (referred
7 to hereafter in this Act as "the grantee") for the planning, design, construction, and
8 capital equipping of a new academic building at the Montgomery County Campus.

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

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

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