

SENATE BILL 428

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B2

1999 Regular Session
9r1375
CF 9r1376

By: **Senators McFadden, Middleton, Blount, Kasemeyer, Van Hollen, Hogan,
Munson, Lawlah, Hollinger, Sfikas, and Forehand**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - The Johns Hopkins University - Biomedical**
3 **Engineering Institute**

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 development or improvement purposes; providing for disbursement of the loan
7 proceeds, subject to a requirement that the grantee provide and expend a
8 matching fund; and providing generally for the issuance and sale of bonds
9 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 The Johns
14 Hopkins University - Biomedical Engineering Institute Loan of 1999 in a total
15 principal amount equal to the lesser of (i) \$3,000,000 or (ii) the amount of the
16 matching fund provided in accordance with Section 1(5) below. This loan shall be
17 evidenced by the issuance, sale, and delivery of State general obligation bonds
18 authorized by a resolution of the Board of Public Works and issued, sold, and
19 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
20 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 Johns Hopkins University (referred
30 to hereafter in this Act as "the grantee") for the planning, design, construction, and

1 capital equipping of the new academic building for the Biomedical Engineering
2 Institute on the Homewood Campus.

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

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

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