

SENATE BILL 741

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B2

2001 Regular Session  
11r2494  
CF 11r2495

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By: **Senators Blount, Middleton, Mitchell, McFadden, Munson, Hogan,  
Hollinger, Forehand, and Dorman**

Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

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

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 Peabody Institute of The Johns  
6 Hopkins University for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; and providing generally for  
9 the issuance and sale of 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 Peabody  
14 Institute of The Johns Hopkins University Loan of 2001 in a total principal amount  
15 equal to the lesser of (i) \$3,000,000 or (ii) the amount of the matching fund provided  
16 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,  
17 sale, and delivery of State general obligation bonds authorized by a resolution of the  
18 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117  
19 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of  
20 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 Peabody Institute of The Johns  
30 Hopkins University (referred to hereafter in this Act as "the grantee") for the

1 planning, design, construction, repair, restoration, renovation, reconstruction, and  
2 capital equipping of the main academic buildings.

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 matching fund may consist of funds expended prior to the effective  
13 date of this Act. In case of any dispute as to the amount of the matching fund or what  
14 money or assets may qualify as matching funds, the Board of Public Works shall  
15 determine the matter and the Board's decision is final. The grantee has until June 1,  
16 2003, to present evidence satisfactory to the Board of Public Works that a matching  
17 fund will be provided. If satisfactory evidence is presented, the Board shall certify this  
18 fact and the amount of the matching fund to the State Treasurer, and the proceeds of  
19 the loan equal to the amount of the matching fund shall be expended for the purposes  
20 provided in this Act. Any amount of the loan in excess of the amount of the matching  
21 fund certified by the Board of Public Works shall be canceled and be of no further  
22 effect.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 June 1, 2001.