

SENATE BILL 741

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B2

2001 Regular Session  
11r2494  
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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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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2001

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CHAPTER \_\_\_\_\_

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 requiring the grantee to grant and convey a certain easement to the Maryland  
8 Historical Trust; providing for disbursement of the loan proceeds, subject to a  
9 requirement that the grantee provide and expend a matching fund; and  
10 providing generally for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as The Peabody  
15 Institute of The Johns Hopkins University Loan of 2001 in a total principal amount  
16 equal to the lesser of (i) \$3,000,000 or (ii) the amount of the matching fund provided  
17 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,  
18 sale, and delivery of State general obligation bonds authorized by a resolution of the  
19 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117  
20 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of  
21 the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as  
23 a single issue or may be consolidated and sold as part of a single issue of bonds under  
24 § 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 Peabody Institute of The Johns  
7 Hopkins University (referred to hereafter in this Act as "the grantee") for the  
8 planning, design, construction, repair, restoration, renovation, reconstruction, and  
9 capital equipping of the main academic buildings.

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

14 (5) Prior to the payment of any funds under the provisions of this Act for the  
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
16 matching fund. No part of the grantee's matching fund may be provided, either  
17 directly or indirectly, from funds of the State, whether appropriated or  
18 unappropriated. No part of the fund may consist of real property or in kind  
19 contributions. The matching fund may consist of funds expended prior to the effective  
20 date of this Act. In case of any dispute as to the amount of the matching fund or what  
21 money or assets may qualify as matching funds, the Board of Public Works shall  
22 determine the matter and the Board's decision is final. The grantee has until June 1,  
23 2003, to present evidence satisfactory to the Board of Public Works that a matching  
24 fund will be provided. If satisfactory evidence is presented, the Board shall certify this  
25 fact and the amount of the matching fund to the State Treasurer, and the proceeds of  
26 the loan equal to the amount of the matching fund shall be expended for the purposes  
27 provided in this Act. Any amount of the loan in excess of the amount of the matching  
28 fund certified by the Board of Public Works shall be canceled and be of no further  
29 effect.

30 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey  
31 to the Maryland Historical Trust a perpetual preservation easement to the extent of  
32 its interest:

33 (i) On the land or such portion of the land acceptable to the Trust;  
34 and

35 (ii) On the exterior and interior, where appropriate, of the historic  
36 structures.

37 (b) If the grantee or beneficiary of the grant holds a lease on the land  
38 and structures, the Trust may accept an easement on the leasehold interest.

39 (c) The easement must be in form and substance acceptable to the Trust  
40 and any liens or encumbrances against the land or the structures must be acceptable  
41 to the Trust.

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