
By: **Delegate Conway**

Rules suspended

Introduced and read first time: March 10, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Johns Hopkins Medicine -**
3 **Pediatric Trauma Center and Cardiovascular and Critical Care Tower**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed
5 \$10,000,000, the proceeds to be used as a grant to the Board of Trustees of Johns
6 Hopkins Health System, Inc. 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; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 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 Baltimore
15 City - Johns Hopkins Medicine - Pediatric Trauma Center and Cardiovascular and
16 Critical Care Tower Loan of 2005 in a total principal amount equal to the lesser of (i)
17 \$10,000,000 or (ii) the amount of the matching fund provided in accordance with
18 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
19 State general obligation bonds authorized by a resolution of the Board of Public
20 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
21 the State Finance and Procurement Article and Article 31, § 22 of 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.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
28 shall be credited on the books of the Comptroller and expended, on approval by the
29 Board of Public Works, for the following public purposes, including any applicable
30 architects' and engineers' fees: as a grant to the Board of Trustees of Johns Hopkins
31 Health System, Inc. (referred to hereafter in this Act as "the grantee") for the

1 planning, design, and construction of the Pediatric Trauma Center at the Children's
2 and Maternal Health Center and the Cardiovascular and Critical Care Tower on the
3 Johns Hopkins East Baltimore Campus, located in Baltimore.

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

8 (5) Prior to the payment of any funds under the provisions of this Act for the
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
10 matching fund. No part of the grantee's matching fund may be provided, either
11 directly or indirectly, from funds of the State, whether appropriated or
12 unappropriated. No part of the fund may consist of real property or in kind
13 contributions. The fund may consist of funds expended prior to the effective date of
14 this Act. In case of any dispute as to the amount of the matching fund or what money
15 or assets may qualify as matching funds, the Board of Public Works shall determine
16 the matter and the Board's decision is final. The grantee has until June 1, 2007, to
17 present evidence satisfactory to the Board of Public Works that a matching fund will
18 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
19 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
20 equal to the amount of the matching fund shall be expended for the purposes provided
21 in this Act. Any amount of the loan in excess of the amount of the matching fund
22 certified by the Board of Public Works shall be canceled and be of no further effect.

23 (6) The proceeds of the loan must be expended or encumbered by the Board of
24 Public Works for the purposes provided in this Act no later than June 1, 2012. If any
25 funds authorized by this Act remain unexpended or unencumbered after June 1,
26 2012, the amount of the unencumbered or unexpended authorization shall be
27 canceled and be of no further effect. If bonds have been issued for the loan, the
28 amount of unexpended or unencumbered bond proceeds shall be disposed of as
29 provided in § 8-129 of the State Finance and Procurement Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 June 1, 2005.