

# SENATE BILL 11

B2

71r0360  
CF 71r0361

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By: **Senator Della**

Introduced and read first time: January 11, 2007

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Johns Hopkins Bayview Medical Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$560,000,  
4 the proceeds to be used as a grant to the Board of Trustees of Johns Hopkins  
5 Bayview Medical Center, Inc. for certain development or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a  
7 requirement that the grantee provide and expend a matching fund; establishing  
8 a deadline for the encumbrance or expenditure of the loan proceeds; and  
9 providing generally for 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 Johns  
14 Hopkins Bayview Medical Center Loan of 2007 in a total principal amount equal to the  
15 lesser of (i) \$560,000 or (ii) the amount of the matching fund provided in accordance  
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
17 delivery of State general obligation bonds authorized by a resolution of the Board of  
18 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through  
19 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)     The bonds to evidence this loan or installments of this loan may be sold  
2 as a single issue or may be consolidated and sold as part of a single issue of bonds  
3 under § 8–122 of the State Finance and Procurement Article.

4           (3)     The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
5 and first shall be applied to the payment of the expenses of issuing, selling, and  
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
7 shall be credited on the books of the Comptroller and expended, on approval by the  
8 Board of Public Works, for the following public purposes, including any applicable  
9 architects' and engineers' fees: as a grant to the Board of Trustees of Johns Hopkins  
10 Bayview Medical Center, Inc. (referred to hereafter in this Act as "the grantee") for the  
11 planning, design, construction, reconstruction, repair, renovation, and capital  
12 equipping of operating rooms and associated support facilities at Johns Hopkins  
13 Bayview Medical Center, located in Baltimore City.

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

18           (5)     Prior to the payment of any funds under the provisions of this Act for the  
19 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
20 matching fund. No part of the grantee's matching fund may be provided, either  
21 directly or indirectly, from funds of the State, whether appropriated or  
22 unappropriated. No part of the fund may consist of real property or in kind  
23 contributions. The fund may consist of funds expended prior to the effective date of  
24 this Act. In case of any dispute as to the amount of the matching fund or what money  
25 or assets may qualify as matching funds, the Board of Public Works shall determine  
26 the matter and the Board's decision is final. The grantee has until June 1, 2009, to  
27 present evidence satisfactory to the Board of Public Works that a matching fund will  
28 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
29 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
30 equal to the amount of the matching fund shall be expended for the purposes provided  
31 in this Act. Any amount of the loan in excess of the amount of the matching fund  
32 certified by the Board of Public Works shall be canceled and be of no further effect.

33           (6)     The proceeds of the loan must be expended or encumbered by the Board  
34 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
35 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
36 the amount of the unencumbered or unexpended authorization shall be canceled and  
37 be of no further effect. If bonds have been issued for the loan, the amount of  
38 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
39 8–129 of the State Finance and Procurement Article.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2    June 1, 2007.