

---

**By: Senators Munson and Derr**

Introduced and read first time: February 1, 1996

Assigned to: Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Washington County - San Mar Children's Home, Inc.**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$350,000, the  
4 proceeds to be used as a grant to the Board of Directors of the San Mar Children's  
5 Home, Inc. for certain acquisition, development, or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that the  
7 grantee provide and expend a matching fund; and providing generally for the  
8 issuance and sale of bonds evidencing the loan.

9 Preamble

10 WHEREAS, Senate Bill 588 and House Bill 1325 of 1992, both of which were  
11 enacted by the General Assembly of Maryland, established a policy for providing services  
12 in the State for children with special needs in the least restrictive environment; and

13 WHEREAS, The law of Maryland, as a result of this legislation being enacted by  
14 the General Assembly and signed into law by the Governor, requires a plan to return  
15 children who are in out-of-state residential placement to placement within the State; and

16 WHEREAS, There is a dearth of residential placements in the State available for  
17 girls; and

18 WHEREAS, San Mar Children's Home has endeavored to address the need for  
19 therapeutic housing for girls by proposing the development of a residential home for girls  
20 on its campus in Western Maryland; now, therefore

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That:

23 (1) The Board of Public Works may borrow money and incur indebtedness on  
24 behalf of the State of Maryland through a State loan to be known as the Washington  
25 County - San Mar Children's Home, Inc. - Therapeutic Group Home for Girls Loan of  
26 1996 in a total principal amount equal to the lesser of (i) \$350,000 or (ii) the amount of  
27 the matching fund provided in accordance with Section 1(5) below. This loan shall be  
28 evidenced by the issuance, sale, and delivery of State general obligation bonds authorized  
29 by a resolution of the Board of Public Works and issued, sold, and delivered in  
30 accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article  
31 and Article 31, § 22 of the Code.

1           (2) The bonds to evidence this loan or installments of this loan maybe sold as a  
2 single issue or may be consolidated and sold as part of a single issue of bonds under §  
3 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 and  
5 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
6 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
7 the books of the Comptroller and expended, on approval by the Board of Public Works,  
8 for the following public purposes, including any applicable architects'and engineers' fees:  
9 as a grant to the Board of Directors of the San Mar Children's Home, Inc. (referred to  
10 hereafter in this Act as "the grantee") for the planning, design, construction, and  
11 equipping of a six bedroom therapeutic group home for girls in the Boonsboro area of  
12 Washington County.

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

17           (5) Prior to the payment of any funds under the provisions of this Act for the  
18 purposes set forth in Section 1(3) above, the grantee shall provide andexpend a matching  
19 fund. No part of the grantee's matching fund may be provided, either directly or  
20 indirectly, from funds of the State, whether appropriated or unappropriated. No part of  
21 the fund may consist of real property, in kind contributions, or funds expended prior to  
22 the effective date of this Act. In case of any dispute as to the amountof the matching  
23 fund or what money or assets may qualify as matching funds, the Board of Public Works  
24 shall determine the matter and the Board's decision is final. The grantee has until June 1,  
25 1998, to present evidence satisfactory to the Board of Public Works that a matching fund  
26 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
27 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
28 equal to the amount of the matching fund shall be expended for the purposes provided in  
29 this Act. Any amount of the loan in excess of the amount of the matching fund certified  
30 by the Board of Public Works shall be canceled and be of no further effect.

31           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 June 1, 1996.