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**By: Senators Munson and Derr**

Introduced and read first time: February 1, 1996

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Washington County - San Mar Children's Home, ~~Inc.~~ Inc. -**  
3 **Therapeutic Group Home for Girls**

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

10 Preamble

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

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

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

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

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

1 (1) The Board of Public Works may borrow money and incur indebtedness on  
2 behalf of the State of Maryland through a State loan to be known as the Washington  
3 County - San Mar Children's Home, Inc. - Therapeutic Group Home for Girls Loan of  
4 1996 in a total principal amount equal to the lesser of (i) \$350,000 or(ii) the amount of  
5 the matching fund provided in accordance with Section 1(5) below. This loan shall be  
6 evidenced by the issuance, sale, and delivery of State general obligation bonds authorized  
7 by a resolution of the Board of Public Works and issued, sold, and delivered in  
8 accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article  
9 and Article 31, § 22 of the Code.

10 (2) The bonds to evidence this loan or installments of this loan maybe sold as a  
11 single issue or may be consolidated and sold as part of a single issue of bonds under §  
12 8-122 of the State Finance and Procurement Article.

13 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and  
14 first shall be applied to the payment of the expenses of issuing, selling, and delivering the  
15 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on  
16 the books of the Comptroller and expended, on approval by the Board of Public Works,  
17 for the following public purposes, including any applicable architects'and engineers' fees:  
18 as a grant to the Board of Directors of the San Mar Children's Home, Inc. (referred to  
19 hereafter in this Act as "the grantee") for the planning, design, construction, and capital  
20 equipping of a six bedroom therapeutic group home for girls in the Boonsboro area of  
21 Washington County.

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

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

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

