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By: **Senators Ruben, Forehand, Pinsky, and Teitelbaum**  
Introduced and read first time: February 2, 2001  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery and Prince George's Counties - Boys'**  
3 **and Girls' Homes**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$175,000,  
5 the proceeds to be used as a grant to the Board of Directors of Boys' and Girls'  
6 Homes and Community Services, Inc. for certain development or improvement  
7 purposes; providing for disbursement of the loan proceeds, subject to a  
8 requirement that the grantee provide and expend a matching fund; requiring  
9 the grantee to grant and convey a certain easement to the Maryland Historical  
10 Trust; and providing generally for the issuance and sale of bonds evidencing the  
11 loan.

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

14 (1) The Board of Public Works may borrow money and incur indebtedness on  
15 behalf of the State of Maryland through a State loan to be known as the Montgomery  
16 and Prince George's Counties - Boys' and Girls' Homes Loan of 2001 in a total  
17 principal amount equal to the lesser of (i) \$175,000 or (ii) the amount of the matching  
18 fund provided in accordance with Section 1(5) below. This loan shall be evidenced by  
19 the issuance, sale, and delivery of State general obligation bonds authorized by a  
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance  
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and  
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as  
24 a single issue or may be consolidated and sold as part of a single issue of bonds under  
25 § 8-122 of the State Finance and Procurement Article.

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

1 grantee") for the repair, renovation, reconstruction, and capital equipping of 7 group  
2 homes for boys and girls in Montgomery and Prince George's counties, located at 2710  
3 Norbeck Road in Silver Spring, Maryland, 700 Hudson Avenue in Takoma Park,  
4 Maryland, 635 Maryland Avenue in Rockville, Maryland, 616 Hyde Road in Silver  
5 Spring, Maryland, 4109 Queensbury Road in Hyattsville, Maryland, 11320 Schuykill  
6 Road in Rockville, Maryland, and 5101 42nd Avenue in Hyattsville, Maryland.

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

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

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

29 (i) On the land or such portion of the land acceptable to the Trust;  
30 and

31 (ii) On the exterior and interior, where appropriate, of the historic  
32 structures.

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

35 (c) The easement must be in form and substance acceptable to the Trust  
36 and any liens or encumbrances against the land or the structures must be acceptable  
37 to the Trust.

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