
By: **Senators Hogan and Grosfeld**

Introduced and read first time: February 2, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Wheaton Multi-Service**
3 **Youth Facility**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$825,000,
5 the proceeds to be used as a grant to the Board of Directors of Victory Youth
6 Centers, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee
8 provide and expend a matching fund; prohibiting the loan proceeds or the
9 matching fund from being used for sectarian religious purposes; establishing a
10 deadline for the encumbrance or expenditure of the loan proceeds; and providing
11 generally for the issuance and sale of bonds evidencing the 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 County - Wheaton Multi-Service Youth Facility Loan of 2005 in a total principal
17 amount equal to the lesser of (i) \$825,000 or (ii) the amount of the matching fund
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
19 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 Victory Youth
32 Centers, Inc. (referred to hereafter in this Act as "the grantee") for the planning,

1 design, and demolition of the existing buildings and the planning, design,
2 construction, and capital equipping of a multiservice youth facility in Wheaton to
3 provide recreational, social, and athletic programs for youth, including equipment
4 and services for youth with special physical needs.

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

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

24 (6) No portion of the proceeds of the loan or any of the matching funds may be
25 used for the furtherance of sectarian religious instruction, or in connection with the
26 design, acquisition, or construction of any building used or to be used as a place of
27 sectarian religious worship or instruction, or in connection with any program or
28 department of divinity for any religious denomination. Upon the request of the Board
29 of Public Works, the grantee shall submit evidence satisfactory to the Board that none
30 of the proceeds of the loan or any matching funds have been or are being used for a
31 purpose prohibited by this Act.

32 (7) The proceeds of the loan must be expended or encumbered by the Board of
33 Public Works for the purposes provided in this Act no later than June 1, 2012. If any
34 funds authorized by this Act remain unexpended or unencumbered after June 1,
35 2012, the amount of the unencumbered or unexpended authorization shall be
36 canceled and be of no further effect. If bonds have been issued for the loan, the
37 amount of unexpended or unencumbered bond proceeds shall be disposed of as
38 provided in § 8-129 of the State Finance and Procurement Article.

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