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By: **Delegates Marriott and Jones**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Residential Child Care Capital Grant Program**

3 FOR the purpose of establishing the Residential Child Care Capital Grant Program;  
4 authorizing the Board of Public Works, on the recommendation of the Executive  
5 Director of the Governor's Office for Children, to provide grants under the  
6 Program to counties, municipal corporations, and nonprofit corporations for the  
7 conversion of public buildings to residential child care programs, the acquisition  
8 of existing buildings or parts of buildings for use as residential child care  
9 programs, the renovation of residential child care programs, the purchase of  
10 capital equipment for residential child care programs, and the planning, design,  
11 and construction of residential child care programs; requiring the Executive  
12 Director to make certain recommendations; providing for the application  
13 process; authorizing the Board of Public Works to adopt certain regulations;  
14 providing certain terms, conditions, and limitations on the allocations, use, and  
15 amount of State grants; prohibiting proceeds of a grant from being used for  
16 certain religious purposes; requiring the Governor to include funding in the  
17 capital budget for the Residential Child Care Capital Grant Program;  
18 authorizing the State, under certain circumstances, to recover a certain portion  
19 of the State funds expended; providing for a certain judicial proceeding and liens  
20 to enforce the State's right of recovery and the priority of the proceeding and the  
21 lien; requiring the Governor's Office for Children to adopt certain regulations;  
22 defining certain terms; and generally relating to capital grants for residential  
23 child care programs.

24 BY adding to

25 Article 41 - Governor - Executive and Administrative Departments  
26 Section 18-701 through 18-707, inclusive, to be under the new subtitle "Subtitle  
27 7. Residential Child Care Capital Grant Program"  
28 Annotated Code of Maryland  
29 (2003 Replacement Volume and 2005 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
31 MARYLAND, That the Laws of Maryland read as follows:

1 **Article 41 - Governor - Executive and Administrative Departments**

2 SUBTITLE 7. RESIDENTIAL CHILD CARE CAPITAL GRANT PROGRAM.

3 18-701.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.

6 (B) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE  
7 GOVERNOR'S OFFICE FOR CHILDREN.

8 (C) "NONPROFIT ORGANIZATION" MEANS:

9 (1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE  
10 EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR  
11 ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY,  
12 THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A  
13 FACILITY; OR

14 (2) AN ORGANIZATION:

15 (I) THAT IS CHARTERED AS A NONPROFIT CORPORATION AND  
16 CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS NONPROFIT; AND

17 (II) NO PART OF THE EARNINGS OF WHICH INURES TO THE  
18 BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE  
19 MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO  
20 BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY.

21 (D) "OFFICE" MEANS THE GOVERNOR'S OFFICE FOR CHILDREN.

22 (E) (1) "RESIDENTIAL CHILD CARE PROGRAM" MEANS AN ENTITY THAT  
23 PROVIDES FOR CHILDREN 24-HOUR PER DAY CARE WITHIN A STRUCTURED SET OF  
24 SERVICES AND ACTIVITIES THAT ARE DESIGNED TO ACHIEVE SPECIFIC OBJECTIVES  
25 RELATIVE TO THE NEEDS OF THE CHILDREN SERVED AND THAT INCLUDE THE  
26 PROVISION OF FOOD, CLOTHING, SHELTER, EDUCATION, SOCIAL SERVICES, HEALTH,  
27 MENTAL HEALTH, RECREATION, OR ANY COMBINATION OF THESE SERVICES AND  
28 ACTIVITIES.

29 (2) "RESIDENTIAL CHILD CARE PROGRAM" INCLUDES A PROGRAM:

30 (I) LICENSED BY:

31 1. THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

32 2. THE DEPARTMENT OF HUMAN RESOURCES; OR

33 3. THE DEPARTMENT OF JUVENILE SERVICES; AND

1 (II) THAT IS SUBJECT TO THE LICENSING REGULATIONS OF THE  
2 GOVERNOR'S OFFICE FOR CHILDREN GOVERNING THE OPERATIONS OF RESIDENTIAL  
3 CHILD CARE PROGRAMS.

4 (F) "WHOLLY OWNED" INCLUDES LEASED, IF:

5 (1) (I) THE LEASE IS FOR A MINIMUM TERM OF 15 YEARS FOLLOWING  
6 PROJECT COMPLETION; OR

7 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE  
8 TO THE LESSEE; AND

9 (2) THE LESSOR CONSENTS TO THE RECORDING IN THE LAND RECORDS  
10 OF THE COUNTY OR BALTIMORE CITY WHERE THE FACILITY IS LOCATED OF A  
11 NOTICE OF THE STATE'S RIGHT OF RECOVERY AS PROVIDED UNDER § 18-706 OF THIS  
12 SUBTITLE.

13 18-702.

14 (A) THERE IS A RESIDENTIAL CHILD CARE CAPITAL GRANT PROGRAM.

15 (B) ON THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR, THE BOARD  
16 OF PUBLIC WORKS MAY MAKE GRANTS TO COUNTIES, MUNICIPAL CORPORATIONS,  
17 AND NONPROFIT ORGANIZATIONS FOR:

18 (1) THE CONVERSION OF PUBLIC BUILDINGS OR PARTS OF PUBLIC  
19 BUILDINGS TO RESIDENTIAL CHILD CARE PROGRAMS;

20 (2) THE ACQUISITION OF EXISTING BUILDINGS OR PARTS OF BUILDINGS  
21 FOR USE AS RESIDENTIAL CHILD CARE PROGRAMS;

22 (3) THE RENOVATION OF RESIDENTIAL CHILD CARE PROGRAMS;

23 (4) THE PURCHASE OF CAPITAL EQUIPMENT FOR RESIDENTIAL CHILD  
24 CARE PROGRAMS; OR

25 (5) THE PLANNING, DESIGN, AND CONSTRUCTION OF RESIDENTIAL  
26 CHILD CARE PROGRAMS.

27 18-703.

28 (A) ANY COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION  
29 SPONSORING A PROJECT INVOLVING WORK SPECIFIED IN § 18-702 OF THIS SUBTITLE  
30 MAY APPLY TO THE EXECUTIVE DIRECTOR FOR A STATE GRANT TO BE APPLIED  
31 TOWARD THE COST OF THAT PROJECT.

32 (B) THE APPLICATION FOR A GRANT SHALL INCLUDE:

33 (1) PROJECT PLANS FOR THE WORK TO BE CARRIED OUT;

1 (2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE  
2 EMPLOYED AT THE RESIDENTIAL CHILD CARE PROGRAM, INCLUDING ALL  
3 REMUNERATION AND PERQUISITES FOR PERSONNEL SERVICES AND ALL OTHER  
4 EXPENSES PAID OR TO BE PAID TO THESE PERSONNEL;

5 (3) ALL OTHER EXPENSES INCURRED OR TO BE INCURRED IN  
6 OPERATING THE RESIDENTIAL CHILD CARE PROGRAM; AND

7 (4) A STATEMENT DESCRIBING HOW THE RESIDENTIAL CHILD CARE  
8 PROGRAM WILL MEET SPECIFIC SERVICE NEEDS OR PROVIDE SERVICES IN AN  
9 UNDERSERVED GEOGRAPHIC AREA OF THE STATE, AS IDENTIFIED BY THE OFFICE.

10 (C) ON APPROVAL OF A PROJECT AND THE PROJECT PLANS, THE EXECUTIVE  
11 DIRECTOR SHALL PROMPTLY REPORT THE APPLICATION TO THE BOARD OF PUBLIC  
12 WORKS, TOGETHER WITH THE EXECUTIVE DIRECTOR'S RECOMMENDATION THAT  
13 THE BOARD MAKE FUNDS AVAILABLE AS PROVIDED IN THIS SUBTITLE.

14 18-704.

15 (A) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE  
16 SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS SECTION.

17 (B) STATE FUNDS MAY BE USED ONLY FOR THE PURPOSES LISTED UNDER §  
18 18-702 OF THIS SUBTITLE AND APPROVED BY THE EXECUTIVE DIRECTOR UNDER §  
19 18-703 OF THIS SUBTITLE.

20 (C) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE  
21 SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

22 (1) ANY FEDERAL OR OTHER GRANT THAT IS RECEIVED FOR AN  
23 ELIGIBLE PROJECT SHALL BE APPLIED FIRST TO THE COST OF THE PROJECT;

24 (2) A STATE GRANT MAY NOT EXCEED 50% OF THE COST OF ELIGIBLE  
25 WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED; AND

26 (3) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT  
27 BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY  
28 NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.

29 (D) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF  
30 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION  
31 OF:

32 (1) ALL ELIGIBLE PROJECTS;

33 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE  
34 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;  
35 AND

36 (3) THE PRIORITIES ESTABLISHED BY THE OFFICE REGARDING:

1 (I) SPECIFIC TYPES OF RESIDENTIAL CHILD CARE NEEDED IN THE  
2 STATE; OR

3 (II) GEOGRAPHIC AREAS OF THE STATE IDENTIFIED AS  
4 UNDERSERVED BY RESIDENTIAL CHILD CARE PROGRAMS.

5 (E) (1) NO PORTION OF THE PROCEEDS OF A STATE GRANT MAY BE USED:

6 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

7 (II) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR  
8 CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN  
9 RELIGIOUS WORSHIP OR INSTRUCTION; OR

10 (III) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF  
11 DIVINITY FOR ANY RELIGIOUS DENOMINATION.

12 (2) ON THE REQUEST OF THE BOARD OF PUBLIC WORKS, THE  
13 APPLICANT SHALL SUBMIT EVIDENCE SATISFACTORY TO THE BOARD THAT THE  
14 PROCEEDS OF THE GRANT ARE NOT BEING USED FOR A PURPOSE PROHIBITED  
15 UNDER THIS SUBSECTION OR UNDER APPLICABLE FEDERAL LAW.

16 (F) BEGINNING IN FISCAL YEAR 2008 AND IN EACH FISCAL YEAR  
17 THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION IN THE STATE  
18 CAPITAL BUDGET TO BE DISTRIBUTED AND MANAGED IN ACCORDANCE WITH THIS  
19 SUBTITLE.

20 18-705.

21 (A) THE BOARD OF PUBLIC WORKS SHALL MAKE ALLOCATIONS FROM FUNDS  
22 AVAILABLE UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SUBTITLE.

23 (B) THE BOARD SHALL CERTIFY THE ALLOCATIONS TO THE PROPER STATE  
24 OFFICERS, AND THE TREASURER SHALL MAKE PAYMENTS TO OR ON BEHALF OF THE  
25 APPLICANT, WHEN NEEDED, FOR THE APPROVED PROJECT.

26 (C) THE BOARD OF PUBLIC WORKS MAY ADOPT REGULATIONS TO IMPLEMENT  
27 THIS SECTION.

28 18-706.

29 (A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR  
30 TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A  
31 RESIDENTIAL CHILD CARE PROGRAM, FROM THE OWNER, AN AMOUNT BEARING THE  
32 SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS  
33 CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE  
34 PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT,  
35 TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEYS' FEES INCURRED BY THE  
36 STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION

1 OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS  
2 SUBTITLE:

3 (1) IS SOLD OR TRANSFERRED TO ANY PERSON, AGENCY, OR  
4 ORGANIZATION THAT WOULD NOT QUALIFY AS AN APPLICANT UNDER THIS  
5 SUBTITLE, OR THAT IS NOT APPROVED AS A TRANSFEREE BY THE BOARD OF PUBLIC  
6 WORKS; OR

7 (2) CEASES TO BE A RESIDENTIAL CHILD CARE PROGRAM AS DEFINED  
8 IN THIS SUBTITLE.

9 (B) (1) BEFORE THE STATE MAKES ANY FUNDS AVAILABLE FOR AN  
10 APPROVED PROJECT, THE OFFICE SHALL CAUSE A NOTICE OF THIS RIGHT OF  
11 RECOVERY TO BE RECORDED IN THE LAND RECORDS OF THE COUNTY OR  
12 BALTIMORE CITY WHERE THE PROPERTY IS LOCATED.

13 (2) THE RECORDING OF THE NOTICE:

14 (I) DOES NOT CREATE A LIEN AGAINST THE PROPERTY; BUT

15 (II) SHALL CONSTITUTE NOTICE TO ANY POTENTIAL TRANSFEREE,  
16 POTENTIAL TRANSFEROR, POTENTIAL CREDITOR, OR OTHER INTERESTED PARTY OF  
17 THE POSSIBILITY THAT THE STATE MAY OBTAIN A LIEN UNDER THIS SUBTITLE.

18 (C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A  
19 CIVIL COMPLAINT UNDER SUBSECTION (B) OF THIS SECTION, IN THE CIRCUIT COURT  
20 FOR THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST  
21 THE OWNER OF THE PROPERTY AND ANY OTHER INTERESTED PARTIES, INCLUDING  
22 ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

23 (II) THE COMPLAINT SHALL BE FILED WITH:

24 1. SWORN AFFIDAVITS STATING FACTS ON WHICH THE  
25 ALLEGATIONS OF DEFAULT ARE BASED; AND

26 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

27 (2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL  
28 FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE  
29 STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE  
30 PROPERTY:

31 (I) IN THE AMOUNT OF THE STATE'S COMPLAINT PLUS ANY  
32 ADDITIONAL AMOUNT ESTIMATED TO BE NECESSARY TO COVER THE COSTS AND  
33 REASONABLE ATTORNEYS' FEES INCURRED BY THE STATE; OR

34 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE  
35 REASONABLE.

36 (3) (I) A TEMPORARY LIEN SHALL TAKE EFFECT:

1                                   1.       ON THE DATE OF THE COURT'S AUTHORIZATION, IF THE  
2 SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF TEMPORARY  
3 LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE  
4 PROPERTY IS LOCATED WITHIN 10 DAYS AFTER THE COURT'S AUTHORIZATION; OR

5                                   2.       ON THE DATE A NOTICE OF TEMPORARY LIEN IS  
6 RECORDED.

7                                   (II)     WHILE THE TEMPORARY LIEN IS IN EFFECT, NEITHER THE  
8 OWNER NOR ANY PERSON WHO ACQUIRED AN INTEREST IN THE PROPERTY AFTER  
9 THE STATE FIRST MADE FUNDS AVAILABLE IN CONNECTION WITH THE PROPERTY  
10 MAY WITHOUT THE PRIOR WRITTEN CONSENT OF THE STATE:

11                                  1.       TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO  
12 THE PROPERTY; OR

13                                  2.       INSTITUTE ANY PROCEEDINGS TO ENFORCE A SECURITY  
14 INTEREST OR OTHER SIMILAR RIGHTS IN THE PROPERTY.

15                                  (4)     (I)       THE OWNER OF THE PROPERTY OR ANY OTHER INTERESTED  
16 PARTY MAY OBTAIN RELEASE OF A TEMPORARY LIEN AT ANY TIME BY FILING WITH  
17 THE COURT A BOND SECURING THE PAYMENT IN FULL OF THE STATE'S CLAIM AND  
18 ANY ADDITIONAL AMOUNT NECESSARY TO COVER THE COSTS AND REASONABLE  
19 ATTORNEYS' FEES INCURRED BY THE STATE.

20                                  (II)     THE OWNER OR OTHER INTERESTED PARTY MAY CAUSE THE  
21 RELEASE TO BE RECORDED IN THE LAND RECORDS.

22                                  (D)     PROCEEDINGS TO DETERMINE THE STATE'S RIGHT TO RECOVER AND THE  
23 AMOUNT OF ITS RECOVERY UNDER THIS SUBTITLE SHALL HAVE PRIORITY OVER  
24 OTHER CIVIL PROCEEDINGS IN THE CIRCUIT COURTS.

25                                  (E)     (1)     (I)       AT THE CONCLUSION OF FULL ADVERSARY PROCEEDINGS ON  
26 THE ISSUE OF DEFAULT AND OF ANY DISPUTES OVER THE AMOUNT OF THE STATE'S  
27 RECOVERY, THE CIRCUIT COURT SHALL, IF IT FINDS THAT A DEFAULT HAS  
28 OCCURRED, ISSUE A FINAL JUDGMENT FOR THE AMOUNT IT FINDS TO BE  
29 RECOVERABLE BY THE STATE.

30                                  (II)     ALL PARTIES INVOLVED IN THE DEFAULT, INCLUDING IN  
31 EVERY CASE THE OWNER OF THE PROPERTY, SHALL BE HELD JOINTLY AND  
32 SEVERALLY LIABLE TO THE STATE FOR THE AMOUNT OF THE JUDGMENT.

33                                  (2)     (I)       EXCEPT AS THE STATE MAY OTHERWISE PROVIDE BY A  
34 WRITTEN SUBORDINATION AGREEMENT, IF THE AMOUNT OF THE FINAL JUDGMENT  
35 REMAINS UNPAID AFTER 30 DAYS FOLLOWING THE COURT'S FINAL ORDER, THE  
36 FINAL JUDGMENT SHALL CONSTITUTE A LIEN ON THE PROPERTY, SUPERIOR TO THE  
37 LIEN OR OTHER INTEREST OF A MORTGAGEE, PLEDGEE, PURCHASER, OR JUDGMENT  
38 CREDITOR WHOSE INTEREST BECAME PERFECTED AGAINST THIRD PERSONS AFTER  
39 THE STATE FIRST MADE FUNDS AVAILABLE UNDER THIS SUBTITLE.

1 (II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS  
2 SUBPARAGRAPH, A LIEN TAKES EFFECT ON THE DATE A NOTICE OF LIEN IS  
3 RECORDED.

4 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE  
5 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS  
6 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE  
7 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING  
8 THE FINAL ORDER.

9 (III) 1. AT THE TIME THAT A LIEN TAKES EFFECT, ANY  
10 TEMPORARY LIEN THEN IN EFFECT SHALL BE AUTOMATICALLY AND FULLY  
11 RELEASED.

12 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE  
13 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

14 (IV) A LIEN IMPOSED UNDER THIS SUBSECTION MAY BE ENFORCED  
15 AND FORECLOSED IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED IN THE  
16 MARYLAND RULES, EXCEPT THAT NEITHER THE STATE NOR ANY AGENT APPOINTED  
17 BY THE STATE TO SELL THE PROPERTY NEED FILE A BOND.

18 (3) (I) THE OWNER OR ANY OTHER INTERESTED PARTY MAY OBTAIN  
19 RELEASE OF A LIEN AT ANY TIME BY PAYING TO THE STATE THE FULL AMOUNT OF  
20 THE JUDGMENT RENDERED BY THE CIRCUIT COURT, TOGETHER WITH INTEREST  
21 FROM THE DATE OF JUDGMENT.

22 (II) ON PAYMENT IN FULL, THE SECRETARY OF THE BOARD OF  
23 PUBLIC WORKS SHALL CAUSE A RELEASE TO BE RECORDED IN THE LAND RECORDS.

24 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT  
25 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN  
26 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT  
27 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC  
28 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

29 (F) (1) ALL FUNDS RECOVERED AS A RESULT OF THIS RIGHT OF RECOVERY  
30 SHALL BE DEPOSITED IN THE ANNUITY BOND FUND AND APPLIED TO THE DEBT  
31 SERVICE REQUIREMENTS OF THE STATE.

32 (2) IF THE BOARD DETERMINES THAT THERE IS GOOD CAUSE FOR  
33 RELEASING THE TRANSFEROR, TRANSFEREE, OR OWNER FROM THE OBLIGATION  
34 IMPOSED UNDER THIS SUBTITLE, THE BOARD OF PUBLIC WORKS MAY WAIVE THE  
35 STATE'S RIGHT OF RECOVERY UNDER THIS SUBTITLE.

36 18-707.

37 THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF  
38 THIS SUBTITLE.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 October 1, 2006.