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By: **Delegates Heller, Kaiser, Barkley, Bronrott, Cryor, Dumais, Feldman,  
Franchot, Gordon, Gutierrez, Hixson, King, Lawton, Lee, Mandel,  
Montgomery, Murray, Petzold, and Stern**

Introduced and read first time: February 13, 2006

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Our House Youth Home**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,  
4 the proceeds to be used as a grant to the Board of Directors of Our House Youth  
5 Home, Inc. for certain development or improvement purposes; providing for  
6 disbursement of the loan proceeds, subject to a requirement that the grantee  
7 provide and expend a matching fund; requiring the grantee to grant and convey  
8 a certain easement to the Maryland Historical Trust; establishing a deadline for  
9 the encumbrance or expenditure of the loan proceeds; and providing generally  
10 for the issuance and sale of bonds evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Montgomery  
15 County - Our House Youth Home Loan of 2006 in a total principal amount equal to  
16 the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided in  
17 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,  
18 and delivery of State general obligation bonds authorized by a resolution of the Board  
19 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
20 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

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

1 and capital equipping of Mellwood Farm located in Olney and to be used by the  
2 grantee as the permanent home for a residential training facility.

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

7 (5) Prior to the payment of any funds under the provisions of this Act for the  
8 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
9 matching fund. No part of the grantee's matching fund may be provided, either  
10 directly or indirectly, from funds of the State, whether appropriated or  
11 unappropriated. No part of the fund may consist of real property, in kind  
12 contributions, or funds expended prior to the effective date of this Act. In case of any  
13 dispute as to the amount of the matching fund or what money or assets may qualify  
14 as matching funds, the Board of Public Works shall determine the matter and the  
15 Board's decision is final. The grantee has until June 1, 2008, to present evidence  
16 satisfactory to the Board of Public Works that a matching fund will be provided. If  
17 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
18 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
19 amount of the matching fund shall be expended for the purposes provided in this Act.  
20 Any amount of the loan in excess of the amount of the matching fund certified by the  
21 Board of Public Works shall be canceled and be of no further effect.

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

25 (i) On the land or such portion of the land acceptable to the Trust;  
26 and

27 (ii) On the exterior and interior, where appropriate, of the historic  
28 structures.

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

31 (c) The easement must be in form and substance acceptable to the Trust  
32 and any liens or encumbrances against the land or the structures must be acceptable  
33 to the Trust.

34 (7) The proceeds of the loan must be expended or encumbered by the  
35 Board of Public Works for the purposes provided in this Act no later than June 1,  
36 2013. If any funds authorized by this Act remain unexpended or unencumbered after  
37 June 1, 2013, the amount of the unencumbered or unexpended authorization shall be  
38 canceled and be of no further effect. If bonds have been issued for the loan, the  
39 amount of unexpended or unencumbered bond proceeds shall be disposed of as  
40 provided in § 8-129 of the State Finance and Procurement Article.

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