
By: ~~Senator Currie~~ Senators Currie, Brinkley, DeGrange, Hogan, Jones,
Kasemeyer, Kramer, Lawlah, McFadden, Munson, Ruben, Schrader, and
Stoltzfus

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Committee Report: Favorable with amendments
Senate action: Adopted
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CHAPTER _____

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 certain residential child care programs to amend a certain
14 project plan under certain circumstances; authorizing the Board of Public Works
15 to adopt certain regulations; providing certain terms, conditions, and limitations
16 on the allocations, use, and amount of State grants; prohibiting proceeds of a
17 grant from being used for certain religious purposes; ~~requiring~~ authorizing the
18 Governor to include funding in the capital budget for the Residential Child Care
19 Capital Grant Program; authorizing the State, under certain circumstances, to
20 recover a certain portion of the State funds expended; providing for a certain
21 judicial proceeding and liens to enforce the State's right of recovery and the
22 priority of the proceeding and the lien; requiring the Governor's Office for
23 Children to adopt certain regulations; defining certain terms; and generally
24 relating to capital grants for residential child care programs.

25 BY adding to

1 Article 41 - Governor - Executive and Administrative Departments
2 Section 18-701 through 18-707, inclusive, to be under the new subtitle "Subtitle
3 7. Residential Child Care Capital Grant Program"
4 Annotated Code of Maryland
5 (2003 Replacement Volume and 2005 Supplement)

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

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

9 SUBTITLE 7. RESIDENTIAL CHILD CARE CAPITAL GRANT PROGRAM.
10 18-701.

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

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

15 (C) "NONPROFIT ORGANIZATION" MEANS:

16 (1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE
17 EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR
18 ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY,
19 THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A
20 FACILITY; OR

21 (2) AN ORGANIZATION:

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

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

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

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

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

2 (I) LICENSED BY:

3 1. THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

4 2. THE DEPARTMENT OF HUMAN RESOURCES; OR

5 3. THE DEPARTMENT OF JUVENILE SERVICES; AND

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

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

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

12 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE
13 TO THE LESSEE; AND

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

18 18-702.

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

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

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

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

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

28 (4) THE PURCHASE OF CAPITAL EQUIPMENT FOR RESIDENTIAL CHILD
29 CARE PROGRAMS; OR

30 (5) THE PLANNING, DESIGN, AND CONSTRUCTION OF RESIDENTIAL
31 CHILD CARE PROGRAMS.

1 18-703.

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

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

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

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

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

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

17 (C) AN APPLICANT MAY AMEND THE PROJECT PLAN SUBMITTED WITH ITS
18 APPLICATION DURING OR AFTER THE GRANT APPLICATION PROCESS IF THE
19 AMENDMENTS ARE:

20 (1) INTENDED TO MEET THE CHANGING NEEDS OF THE RESIDENTIAL
21 CHILD CARE PROGRAM OR ITS RESIDENTS; AND

22 (2) APPROVED BY THE EXECUTIVE DIRECTOR.

23 ~~(C)~~ (D) ON APPROVAL OF A PROJECT AND THE PROJECT PLANS, THE
24 EXECUTIVE DIRECTOR SHALL PROMPTLY REPORT THE APPLICATION TO THE BOARD
25 OF PUBLIC WORKS, TOGETHER WITH THE EXECUTIVE DIRECTOR'S
26 RECOMMENDATION THAT THE BOARD MAKE FUNDS AVAILABLE AS PROVIDED IN
27 THIS SUBTITLE.

28 18-704.

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

31 (B) STATE FUNDS MAY BE USED ONLY FOR THE PURPOSES LISTED UNDER §
32 18-702 OF THIS SUBTITLE AND APPROVED BY THE EXECUTIVE DIRECTOR UNDER §
33 18-703 OF THIS SUBTITLE.

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

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

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

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

8 (D) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF
9 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION
10 OF:

11 (1) ALL ELIGIBLE PROJECTS;

12 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE
13 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;
14 AND

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

16 ~~(A) SPECIFIC TYPES OF RESIDENTIAL CHILD CARE NEEDED IN THE~~
17 ~~STATE; OR~~

18 ~~(B)~~ GEOGRAPHIC AREAS OF THE STATE IDENTIFIED AS
19 UNDERSERVED BY RESIDENTIAL CHILD CARE PROGRAMS.

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

21 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

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

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

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

31 (F) BEGINNING IN FISCAL YEAR 2008 AND IN EACH FISCAL YEAR
32 THEREAFTER, THE GOVERNOR ~~SHALL~~ MAY INCLUDE AN APPROPRIATION IN THE
33 STATE CAPITAL BUDGET TO BE DISTRIBUTED AND MANAGED IN ACCORDANCE WITH
34 THIS SUBTITLE.

1 18-705.

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

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

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

9 18-706.

10 (A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR
11 TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A
12 RESIDENTIAL CHILD CARE PROGRAM, FROM THE OWNER, AN AMOUNT BEARING THE
13 SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS
14 CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE
15 PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT,
16 TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEYS' FEES INCURRED BY THE
17 STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION
18 OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS
19 SUBTITLE:

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

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

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

30 (2) THE RECORDING OF THE NOTICE:

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

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

35 (C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A
36 CIVIL COMPLAINT UNDER SUBSECTION (B) OF THIS SECTION, IN THE CIRCUIT COURT
37 FOR THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST

1 THE OWNER OF THE PROPERTY AND ANY OTHER INTERESTED PARTIES, INCLUDING
2 ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

3 (II) THE COMPLAINT SHALL BE FILED WITH:

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

6 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

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

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

14 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE
15 REASONABLE.

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

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

21 2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS
22 RECORDED.

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

27 1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO
28 THE PROPERTY; OR

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

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

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

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

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

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

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

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

24 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE
25 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS
26 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE
27 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING
28 THE FINAL ORDER.

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

32 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE
33 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

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

38 (3) (I) THE OWNER OR ANY OTHER INTERESTED PARTY MAY OBTAIN
39 RELEASE OF A LIEN AT ANY TIME BY PAYING TO THE STATE THE FULL AMOUNT OF

1 THE JUDGMENT RENDERED BY THE CIRCUIT COURT, TOGETHER WITH INTEREST
2 FROM THE DATE OF JUDGMENT.

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

5 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT
6 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN
7 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT
8 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC
9 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

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

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

17 18-707.

18 THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF
19 THIS SUBTITLE.

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