

# SENATE BILL 290

B2

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CF 7lr2447

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By: **Senators Madaleno, Forehand, Frosh, Garagiola, Hogan, Kramer, Lenett,  
and Raskin**

Introduced and read first time: January 31, 2007

Assigned to: Budget and Taxation

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## 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 \$975,000,  
5 the proceeds to be used as a grant to the Board of Directors of Victory Youth  
6 Center, 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 use of the loan proceeds or  
9 matching fund for sectarian religious purposes; establishing a deadline for the  
10 encumbrance or expenditure of the loan proceeds; and providing generally for  
11 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 2007 in a total principal  
17 amount equal to the lesser of (i) \$975,000 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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4           (3)     The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
5 and first shall be applied to the payment of the expenses of issuing, selling, and  
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
7 shall be credited on the books of the Comptroller and expended, on approval by the  
8 Board of Public Works, for the following public purposes, including any applicable  
9 architects' and engineers' fees: as a grant to the Board of Directors of Victory Youth  
10 Center, Inc. (referred to hereafter in this Act as "the grantee") for the planning, design,  
11 and demolition of existing buildings and related site work, development, construction,  
12 and capital equipping of a multi-service youth facility, located in Wheaton.

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

17           (5)     Prior to the payment of any funds under the provisions of this Act for the  
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
19 matching fund. No part of the grantee's matching fund may be provided, either  
20 directly or indirectly, from funds of the State, whether appropriated or  
21 unappropriated. No part of the fund may consist of real property, in kind  
22 contributions, or funds expended prior to the effective date of this Act. In case of any  
23 dispute as to the amount of the matching fund or what money or assets may qualify as  
24 matching funds, the Board of Public Works shall determine the matter and the  
25 Board's decision is final. The grantee has until June 1, 2009, to present evidence  
26 satisfactory to the Board of Public Works that a matching fund will be provided. If  
27 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
28 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
29 amount of the matching fund shall be expended for the purposes provided in this Act.  
30 Any amount of the loan in excess of the amount of the matching fund certified by the  
31 Board of Public Works shall be canceled and be of no further effect.

32           (6)     No portion of the proceeds of the loan or any of the matching funds may  
33 be used for the furtherance of sectarian religious instruction, or in connection with the  
34 design, acquisition, or construction of any building used or to be used as a place of  
35 sectarian religious worship or instruction, or in connection with any program or  
36 department of divinity for any religious denomination. Upon the request of the Board  
37 of Public Works, the grantee shall submit evidence satisfactory to the Board that none  
38 of the proceeds of the loan of any matching funds have been or are being used for a  
39 purpose prohibited by this Act.

1           (7)     The proceeds of the loan must be expended or encumbered by the Board  
2 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any  
3 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,  
4 the amount of the unencumbered or unexpended authorization shall be canceled and  
5 be of no further effect. If bonds have been issued for the loan, the amount of  
6 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
7 8–129 of the State Finance and Procurement Article.

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 June 1, 2007.