

SENATE BILL 108

B2

8lr1440
CF 8lr1829

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

Introduced and read first time: January 17, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Group Home Renovations**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000,
4 the proceeds to be used as a grant to the Board of Directors of the Jewish
5 Foundation for Group Homes, Inc. for certain development or improvement
6 purposes; providing for disbursement of the loan proceeds, subject to a
7 requirement that the grantee provide and expend a matching fund; prohibiting
8 the use of the loan proceeds or matching fund for sectarian religious purposes;
9 establishing a deadline for the encumbrance or expenditure of the loan
10 proceeds; and providing generally for the issuance and sale of bonds evidencing
11 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 – Group Home Renovations Loan of 2008 in a total principal amount equal to
17 the lesser of (i) \$250,000 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8–117 through
21 8–124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 delivering the bonds, unless funds for this purpose are otherwise provided, and then
2 shall be credited on the books of the Comptroller and expended, on approval by the
3 Board of Public Works, for the following public purposes, including any applicable
4 architects' and engineers' fees: as a grant to the Board of Directors of the Jewish
5 Foundation for Group Homes, Inc. (referred to hereafter in this Act as "the grantee")
6 for the repair, renovation, reconstruction, and capital equipping of various group
7 homes, located in Montgomery County.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
14 matching fund. No part of the grantee's matching fund may be provided, either
15 directly or indirectly, from funds of the State, whether appropriated or
16 unappropriated. The matching fund may consist of real property, in kind
17 contributions, or funds expended prior to the effective date of this Act. In case of any
18 dispute as to the amount of the matching fund or what money or assets may qualify as
19 matching funds, the Board of Public Works shall determine the matter and the
20 Board's decision is final. The grantee has until June 1, 2010, to present evidence
21 satisfactory to the Board of Public Works that a matching fund will be provided. If
22 satisfactory evidence is presented, the Board shall certify this fact and the amount of
23 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
24 amount of the matching fund shall be expended for the purposes provided in this Act.
25 Any amount of the loan in excess of the amount of the matching fund certified by the
26 Board of Public Works shall be canceled and be of no further effect.

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

35 (7) The proceeds of the loan must be expended or encumbered by the Board
36 of Public Works for the purposes provided in this Act no later than June 1, 2015. If any
37 funds authorized by this Act remain unexpended or unencumbered after June 1, 2015,
38 the amount of the unencumbered or unexpended authorization shall be canceled and
39 be of no further effect. If bonds have been issued for the loan, the amount of
40 unexpended or unencumbered bond proceeds shall be disposed of as provided in
41 § 8-129 of the State Finance and Procurement Article.

42 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
43 June 1, 2008.