

HOUSE BILL 1238

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CF SB 151

By: **Delegates Barve, Gilchrist, Platt, Barkley, Carr, Cullison, Dumais, Fraser-Hidalgo, Frick, Gutierrez, Hixson, Kaiser, Kelly, Korman, Kramer, Luedtke, A. Miller, Moon, Morales, Reznik, S. Robinson, Smith, Waldstreicher, and Zucker**

Introduced and read first time: March 4, 2015

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Montgomery County – Jewish Foundation for Group**
3 **Homes Renovations**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$100,000, the
5 proceeds to be used as a grant to the Board of Directors of the Jewish Foundation for
6 Group Homes, Inc. for certain development or improvement purposes; providing for
7 disbursement of the loan proceeds, subject to a requirement that the grantee provide
8 and expend a matching fund; prohibiting the use of the loan proceeds or matching
9 fund for sectarian religious purposes; establishing a deadline for the encumbrance
10 or expenditure of the loan proceeds; and providing generally for the issuance and
11 sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 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 – Jewish Foundation for Group Homes Renovations Loan of 2015 in a total principal
17 amount equal to the lesser of (i) \$100,000 or (ii) the amount of the matching fund provided
18 in 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 of
20 Public Works and issued, sold, and delivered in accordance with §§ 8–117 through 8–124
21 and 8–131.2 of the State Finance and Procurement Article.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
2 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
3 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
4 the books of the Comptroller and expended, on approval by the Board of Public Works, for
5 the following public purposes, including any applicable architects' and engineers' fees: as a
6 grant to the Board of Directors of the Jewish Foundation for Group Homes, Inc. (referred
7 to hereafter in this Act as "the grantee") for the acquisition, planning, design, construction,
8 repair, renovation, reconstruction, and capital equipping of multiple group homes within
9 the Jewish Foundation for Group Homes program, located in Montgomery County.

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

14 (5) Prior to the payment of any funds under the provisions of this Act for the
15 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
16 fund. No part of the grantee's matching fund may be provided, either directly or indirectly,
17 from funds of the State, whether appropriated or unappropriated. No part of the fund may
18 consist of real property or in kind contributions. The fund may consist of funds expended
19 prior to the effective date of this Act. In case of any dispute as to the amount of the matching
20 fund or what money or assets may qualify as matching funds, the Board of Public Works
21 shall determine the matter and the Board's decision is final. The grantee has until June 1,
22 2017, to present evidence satisfactory to the Board of Public Works that a matching fund
23 will be provided. If satisfactory evidence is presented, the Board shall certify this fact and
24 the amount of the matching fund to the State Treasurer, and the proceeds of the loan equal
25 to the amount of the matching fund shall be expended for the purposes provided in this Act.
26 Any amount of the loan in excess of the amount of the matching fund certified by the Board
27 of Public Works shall be canceled and be of no further effect.

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

35 (7) The proceeds of the loan must be expended or encumbered by the Board of
36 Public Works for the purposes provided in this Act no later than June 1, 2022. If any funds
37 authorized by this Act remain unexpended or unencumbered after June 1, 2022, the
38 amount of the unencumbered or unexpended authorization shall be canceled and be of no
39 further effect. If bonds have been issued for the loan, the amount of unexpended or
40 unencumbered bond proceeds shall be disposed of as provided in § 8-129 of the State
41 Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2015.