

# HOUSE BILL 1471

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EMERGENCY BILL

2lr3025  
CF SB 978

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By: **Delegate Beitzel**

Introduced and read first time: February 26, 2022

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Garrett County Memorial Hospital – Lease Authorization and Alterations to**  
3 **Board of Governors**

4 FOR the purpose of authorizing the County Commissioners of Garrett County and the  
5 Board of Governors of the Garrett County Memorial Hospital to lease the hospital or  
6 certain portions of the hospital under certain circumstances; providing for  
7 alterations to the Board of Governors under certain circumstances; and generally  
8 relating to the Garrett County Memorial Hospital.

9 BY repealing and reenacting, without amendments,  
10 The Public Local Laws of Garrett County  
11 Section 36.03  
12 Article 12 – Public Local Laws of Maryland  
13 (2005 Edition and 2018 Supplement, as amended)

14 BY adding to  
15 The Public Local Laws of Garrett County  
16 Section 36.10  
17 Article 12 – Public Local Laws of Maryland  
18 (2005 Edition and 2018 Supplement, as amended)

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

21 **Article 12 – Garrett County**

22 36.03.

23 (A) For the purpose of operating the Garrett County Memorial Hospital, there is  
24 a Board of Governors, which shall consist of 15 members as follows:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (1)     The 3 County Commissioners of Garrett County or their designees. If a  
2 County Commissioner appoints a designee to the Board of Governors, the designee is not  
3 subject to approval by the remaining Board members, but is subject to removal under  
4 division (E) of this section.

5           (2)     Three persons residing in Garrett County, 1 to be appointed by each of  
6 the County Commissioners. Each appointment under this division is subject to approval by  
7 majority vote of the Board of Governors at a meeting consisting of a quorum.

8           (3)     The President of the Town Council of the Town of Oakland or the  
9 President's designee. If the President appoints a designee to the Board of Governors, the  
10 designee is not subject to approval by the remaining Board members, but is subject to  
11 removal under division (E) of this section.

12          (4)     One person who is on the medical staff of the Garrett County Memorial  
13 Hospital and who is elected by the medical staff. The selection under this division is subject  
14 to approval by majority vote of the Board of Governors at a meeting consisting of a quorum.

15          (5)     Seven at-large members who are selected for their talents, abilities and  
16 interest in the affairs of the hospital in accordance with the bylaws of the Board of  
17 Governors. The selection of an at-large member requires a majority of the qualified votes  
18 of the Board of Governors at a meeting consisting of a quorum. An at-large member may  
19 not vote for oneself, for a person who would replace the at-large member or for a person  
20 who would replace another at-large member whose term expires at the same time as the  
21 at-large member. The election of an at-large member requires at least 5 affirmative votes.

22          (B)     The terms of members of the Board of Governors shall be as follows:

23                 (1)     The terms of the County Commissioners and the term of the President  
24 of the Town Council of Oakland, as ex officio members, shall be coextensive with their  
25 respective terms of office.

26                 (2)     The term of a designee of a County Commissioner or of the President of  
27 the Town Council and the terms of members appointed by the County Commissioners is 2  
28 years or until the current term of the elected official or officials who selected the member  
29 ends, whichever occurs first.

30                 (3)     The term of the medical staff member is 2 years.

31                 (4)     The term of an at-large member is 2 years. The terms of at-large  
32 members shall be staggered so that 3 at-large members are elected 1 year and 4 at-large  
33 members are elected the following year.

34          (C)     Terms extended:

35                 (1)     This division only applies if the term of a member appointed by the  
36 County Commissioners or of a designee of a County Commissioner or of the President of

1 the Town Council or the term of the medical staff member ends and a replacement member  
2 is not selected.

3 (2) By majority vote of the Board of Governors at a meeting consisting of a  
4 quorum, a member's term may be extended until a replacement member is selected in  
5 accordance with division (A) of this section or the Board of Governors selects a replacement  
6 member under division (F) of this section.

7 (D) The Board of Governors shall be and is made and constituted a body politic  
8 and corporate by the name and style of the Board of Governors of the Garrett County  
9 Memorial Hospital and by that name shall have perpetual succession. Subject to § 36.08,  
10 the Board of Governors may sue and be sued. The Board of Governors may have a common  
11 seal, and alter the same, at its pleasure. The Board of Governors shall have all the powers  
12 herein granted it and all such other powers as shall be proper and necessary to operate and  
13 manage the hospital and/or a public general hospital, or other health and  
14 health-care-related entities and health-care-related functions, as fully as if incorporated  
15 for such purposes under the provisions of the Public General Laws of Maryland.

16 (E) Removal of members:

17 (1) This division does not authorize the removal of a County Commissioner  
18 or of the President of the Town Council, serving as ex officio members of the Board of  
19 Governors.

20 (2) The Board of Governors shall have the power, by majority vote of all the  
21 members of the Board, to remove a member from the Board for cause, including the failure  
22 to satisfy any attendance requirement established in the bylaws. Removal of a member may  
23 only occur at a regular meeting, after not less than 1 week's notice to the member.

24 (F) The Board of Governors may fill a vacancy on the Board caused by expiration  
25 of a term, death, resignation, expulsion or, for a member whose residence in Garrett County  
26 is a membership qualification for the Board, removal from the county if the proper selecting  
27 body fails to fill the vacancy within 30 days. A vacancy may be filled for the remainder of  
28 the term by a majority vote of the Board of Governors at a meeting consisting of a quorum.

29 (G) The Board of Governors shall elect from among its members a Chairperson  
30 and Vice Chairperson. The Board shall also elect a Secretary/Treasurer and such other  
31 officers as it may determine. The Board shall meet at least 10 times a year and such other  
32 times as it shall determine or when called by the Chairperson.

33 **36.10.**

34 (A) (1) **NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER, THE**  
35 **COUNTY COMMISSIONERS AND THE BOARD OF GOVERNORS MAY LEASE THE**  
36 **GARRETT COUNTY MEMORIAL HOSPITAL, OR ANY PORTION THEREOF, AND**  
37 **TRANSFER ASSETS INCIDENTAL TO THE LEASE IN ACCORDANCE WITH TERMS**

1 DETERMINED BY THE COUNTY COMMISSIONERS AND THE BOARD OF GOVERNORS.

2 (2) IF THE COUNTY COMMISSIONERS AND THE BOARD OF  
3 GOVERNORS LEASE THE GARRETT COUNTY MEMORIAL HOSPITAL, OR ANY  
4 PORTION THEREOF, IN ACCORDANCE WITH THIS DIVISION:

5 (I) THE BOARD OF GOVERNORS SHALL:

6 1. CONTINUE IN EXISTENCE AS PROVIDED IN DIVISION  
7 (B) OF THIS SECTION;

8 2. UNDER THE LEASE, HOLD TITLE TO THE ASSETS  
9 OWNED BY THE HOSPITAL WHICH ARE TO BE LEASED, AS CO-LESSOR WITH THE  
10 COUNTY COMMISSIONERS; AND

11 3. CONTINUE IN EXISTENCE AS A BODY POLITIC AND  
12 CORPORATE, TO ENFORCE ITS RIGHTS AND OBLIGATIONS UNDER THE LEASE AND TO  
13 RESUME OPERATION OF THE HOSPITAL IF A TERMINATION OF THE LEASE RESULTS  
14 IN A REVERSION OF THE HOSPITAL OPERATIONS AND ASSETS BACK TO THE COUNTY  
15 COMMISSIONERS AND THE BOARD OF GOVERNORS; AND

16 (II) THE COUNTY COMMISSIONERS SHALL CONTINUE TO:

17 1. HOLD TITLE TO THE REAL PROPERTY OWNED BY IT  
18 AND USED FOR THE PURPOSE OF THE HOSPITAL; AND

19 2. ENFORCE THEIR RIGHTS AND OBLIGATIONS UNDER  
20 THE LEASE.

21 (3) THE COUNTY COMMISSIONERS AND THE BOARD OF GOVERNORS  
22 MAY TAKE ANY FURTHER ACTIONS NECESSARY TO FULLY PERFORM UNDER A LEASE,  
23 INCLUDING:

24 (I) EXECUTING ALL APPLICABLE DOCUMENTS AND  
25 TRANSACTIONS NECESSARY TO LEASE THE REAL ESTATE AND EXISTING FACILITIES;

26 (II) TRANSFERRING TITLE TO OR POSSESSION OF TANGIBLE  
27 PROPERTY AND INTANGIBLE PROPERTY;

28 (III) PARTICIPATING IN ANY APPLICABLE REGULATORY  
29 PROCESS; AND

30 (IV) MAKING ARRANGEMENTS FOR A DISPOSITION OF THE

1 HOSPITAL CONSISTENT WITH THE TERMS OF A LEASE.

2 (B) (1) NOTWITHSTANDING § 36.03 OF THIS CHAPTER, IF THE COUNTY  
3 COMMISSIONERS AND THE BOARD OF GOVERNORS LEASE THE GARRETT COUNTY  
4 MEMORIAL HOSPITAL, OR ANY PORTION THEREOF, IN ACCORDANCE WITH THIS  
5 SECTION, THE BOARD OF GOVERNORS SHALL BE REDUCED IN NUMBER TO CONSIST  
6 OF THREE PERSONS RESIDING IN GARRETT COUNTY, ONE TO BE APPOINTED BY  
7 EACH OF THE COUNTY COMMISSIONERS.

8 (2) THE BOARD OF GOVERNORS SHALL MEET AT LEAST ONCE EACH  
9 YEAR AND AT OTHER TIMES AS IT SHALL DETERMINE OR WHEN CALLED BY THE  
10 CHAIRPERSON.

11 (3) THE COUNTY COMMISSIONERS SHALL SELECT THE MEMBERS OF  
12 THE BOARD OF GOVERNORS UNDER THIS DIVISION FOR THEIR TALENTS, ABILITIES,  
13 AND INTEREST IN THE AFFAIRS OF THE GARRETT COUNTY MEMORIAL HOSPITAL.

14 (4) A MEMBER OF THE BOARD OF GOVERNORS UNDER THIS DIVISION  
15 MAY NOT SERVE ON THE BOARD OF DIRECTORS OF THE LESSEE.

16 (5) THE TERM OF A MEMBER APPOINTED BY THE COUNTY  
17 COMMISSIONERS UNDER THIS DIVISION IS 2 YEARS OR UNTIL THE CURRENT TERM  
18 OF THE ELECTED OFFICIAL OR OFFICIALS WHO SELECTED THE MEMBER ENDS,  
19 WHICHEVER OCCURS FIRST.

20 (6) THE BOARD OF GOVERNORS SHALL ELECT FROM AMONG ITS  
21 MEMBERS A CHAIRPERSON, A VICE CHAIRPERSON, AND A SECRETARY/TREASURER.

22 (7) THE BOARD OF GOVERNORS MAY REMOVE A MEMBER OR FILL A  
23 VACANCY ON THE BOARD IN ACCORDANCE WITH § 36.03(E) AND (F) OF THIS  
24 CHAPTER.

25 (8) THE COUNTY COMMISSIONERS, BY RESOLUTION, SHALL ADOPT  
26 PROCEDURES FOR THE TRANSITION OF THE MEMBERSHIP AND DUTIES OF THE  
27 BOARD OF GOVERNORS NECESSITATED BY THE ENTERING INTO, OR TERMINATION  
28 OF, A LEASE UNDER THIS SECTION.

29 (C) IN ANY LEASE AUTHORIZED BY THIS SECTION, TRANSFERS OF TITLE TO  
30 OR POSSESSION OF REAL ESTATE, TANGIBLE PROPERTY, OR INTANGIBLE PROPERTY  
31 OWNED BY THE COUNTY COMMISSIONERS OR THE BOARD OF GOVERNORS AND  
32 USED IN THE OPERATION OF THE HOSPITAL, INCLUDING MEMBERSHIP OR EQUITY  
33 INTERESTS IN SUBSIDIARY OR AFFILIATED ENTITIES, ARE AUTHORIZED AND  
34 EXEMPT FROM PUBLIC BIDDING REQUIREMENTS UNDER § 30.21 OF THIS ARTICLE.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
2 measure, is necessary for the immediate preservation of the public health or safety, has  
3 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
4 each of the two Houses of the General Assembly, and shall take effect from the date it is  
5 enacted.