

HOUSE BILL 1471

L2

EMERGENCY BILL

2lr3025
CF SB 978

By: **Delegate Beitzel**

Introduced and read first time: February 26, 2022

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, March 5, 2022

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2022

CHAPTER _____

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:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article 12 – Garrett County**

2 36.03.

3 (A) For the purpose of operating the Garrett County Memorial Hospital, there is
4 a Board of Governors, which shall consist of ~~15~~ 9 members as follows:

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

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

12 ~~(3)~~ (3) The President of the Town Council of the Town of Oakland or the
13 President's designee. If the President appoints a designee to the Board of Governors, the
14 designee is not subject to approval by the remaining Board members, but is subject to
15 removal under division (E) of this section.

16 ~~(4)~~ (3) One person who is on the medical staff of the Garrett County Memorial
17 Hospital and who is elected by the medical staff. The selection under this division is subject
18 to approval by majority vote of the Board of Governors at a meeting consisting of a quorum.

19 ~~(5)~~ (4) ~~Seven~~ Four at-large members who are selected for their talents,
20 abilities and interest in the affairs of the hospital in accordance with the bylaws of the
21 Board of Governors. The selection of an at-large member requires a majority of the
22 qualified votes of the Board of Governors at a meeting consisting of a quorum. An at-large
23 member may not vote for oneself, for a person who would replace the at-large member or
24 for a person who would replace another at-large member whose term expires at the same
25 time as the at-large member. The election of an at-large member requires at least ~~5~~ 3
26 affirmative votes.

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

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

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

35 ~~(3)~~ (3) The term of the medical staff member is 2 years.

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

4 (C) Terms extended:

5 (1) This division only applies if the term of a member appointed by the
6 County Commissioners or of a designee of a County Commissioner or of the President of
7 the Town Council or the term of the medical staff member ends and a replacement member
8 is not selected.

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

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

22 (E) Removal of members:

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

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

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

35 (G) The Board of Governors shall elect from among its members a Chairperson
36 and Vice Chairperson. The Board shall also elect a Secretary/Treasurer and such other
37 officers as it may determine. The Board shall meet at least ~~10~~ 6 times a year and such other
38 times as it shall determine or when called by the Chairperson.

1 **36.10.**

2 (A) (1) NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER, THE
3 COUNTY COMMISSIONERS AND THE BOARD OF GOVERNORS MAY LEASE THE
4 GARRETT COUNTY MEMORIAL HOSPITAL, OR ANY PORTION THEREOF, AND
5 TRANSFER ASSETS INCIDENTAL TO THE LEASE IN ACCORDANCE WITH TERMS
6 DETERMINED BY THE COUNTY COMMISSIONERS AND THE BOARD OF GOVERNORS.

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

10 (I) THE BOARD OF GOVERNORS SHALL:

11 1. CONTINUE IN EXISTENCE AS PROVIDED IN DIVISION
12 (B) OF THIS SECTION;

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

16 3. CONTINUE IN EXISTENCE AS A BODY POLITIC AND
17 CORPORATE, TO ENFORCE ITS RIGHTS AND OBLIGATIONS UNDER THE LEASE AND TO
18 RESUME OPERATION OF THE HOSPITAL IF A TERMINATION OF THE LEASE RESULTS
19 IN A REVERSION OF THE HOSPITAL OPERATIONS AND ASSETS BACK TO THE COUNTY
20 COMMISSIONERS AND THE BOARD OF GOVERNORS; AND

21 (II) THE COUNTY COMMISSIONERS SHALL CONTINUE TO:

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

24 2. ENFORCE THEIR RIGHTS AND OBLIGATIONS UNDER
25 THE LEASE.

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

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

1 **(II) TRANSFERRING TITLE TO OR POSSESSION OF TANGIBLE**
2 **PROPERTY AND INTANGIBLE PROPERTY;**

3 **(III) PARTICIPATING IN ANY APPLICABLE REGULATORY**
4 **PROCESS; AND**

5 **(IV) MAKING ARRANGEMENTS FOR A DISPOSITION OF THE**
6 **HOSPITAL CONSISTENT WITH THE TERMS OF A LEASE.**

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

13 **(2) THE BOARD OF GOVERNORS SHALL MEET AT LEAST ONCE EACH**
14 **YEAR AND AT OTHER TIMES AS IT SHALL DETERMINE OR WHEN CALLED BY THE**
15 **CHAIRPERSON.**

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

19 **(4) A MEMBER OF THE BOARD OF GOVERNORS UNDER THIS DIVISION**
20 **MAY NOT SERVE ON THE BOARD OF DIRECTORS OF THE LESSEE.**

21 **(5) THE TERM OF A MEMBER APPOINTED BY THE COUNTY**
22 **COMMISSIONERS UNDER THIS DIVISION IS 2 YEARS OR UNTIL THE CURRENT TERM**
23 **OF THE ELECTED OFFICIAL OR OFFICIALS WHO SELECTED THE MEMBER ENDS,**
24 **WHICHEVER OCCURS FIRST.**

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

27 **(7) THE BOARD OF GOVERNORS MAY REMOVE A MEMBER OR FILL A**
28 **VACANCY ON THE BOARD IN ACCORDANCE WITH § 36.03(E) AND (F) OF THIS**
29 **CHAPTER.**

30 **(8) THE COUNTY COMMISSIONERS, BY RESOLUTION, SHALL ADOPT**
31 **PROCEDURES FOR THE TRANSITION OF THE MEMBERSHIP AND DUTIES OF THE**
32 **BOARD OF GOVERNORS NECESSITATED BY THE ENTERING INTO, OR TERMINATION**
33 **OF, A LEASE UNDER THIS SECTION.**

1 **(C) IN ANY LEASE AUTHORIZED BY THIS SECTION, TRANSFERS OF TITLE TO**
 2 **OR POSSESSION OF REAL ESTATE, TANGIBLE PROPERTY, OR INTANGIBLE PROPERTY**
 3 **OWNED BY THE COUNTY COMMISSIONERS OR THE BOARD OF GOVERNORS AND**
 4 **USED IN THE OPERATION OF THE HOSPITAL, INCLUDING MEMBERSHIP OR EQUITY**
 5 **INTERESTS IN SUBSIDIARY OR AFFILIATED ENTITIES, ARE AUTHORIZED AND**
 6 **EXEMPT FROM PUBLIC BIDDING REQUIREMENTS UNDER § 30.21 OF THIS ARTICLE.**

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.