

CF 7r1700

By: Senator Della

Introduced and read first time: January 23, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 2, 1997

CHAPTER ____

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Mercy Medical Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000, the
4 proceeds to be used as a grant to the Board of Directors of Mercy Medical Center,
5 Inc. for certain acquisition, development, or improvement purposes; providing for
6 disbursement of the loan proceeds, subject to a requirement that the grantee
7 provide and expend a matching fund; prohibiting the use of any of the proceeds or
8 of the matching funds for sectarian religious purposes; and providing generally for
9 the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Baltimore City
14 - Mercy Medical Center Loan of 1997 in a total principal amount equal to the lesser of (i)
15 \$500,000 or (ii) the amount of the matching fund provided in accordance with Section
16 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
17 general obligation bonds authorized by a resolution of the Board of Public Works and
18 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
19 Finance and Procurement Article and Article 31, § 22 of the Code.

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

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and
24 first shall be applied to the payment of the expenses of issuing, selling, and delivering the
25 bonds, unless funds for this purpose are otherwise provided, and then shall be credited on
26 the books of the Comptroller and expended, on approval by the Board of Public Works,

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1 for the following public purposes, including any applicable architects' and engineers' fees:
2 as a grant to the Board of Directors of Mercy Medical Center, Inc. (referred to hereafter
3 in this Act as "the grantee") for the planning, design, and construction of, and for the
4 provision of capital equipment for, a behavioral health center, to be located on the
5 campus of the South Baltimore Family Health Center in Cherry Hill in Baltimore.

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

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a matching
12 fund. No part of the grantee's matching fund may be provided, either directly or
13 indirectly, from funds of the State, whether appropriated or unappropriated. No part of
14 the fund may consist of real property or in kind contributions. The fund may consist of
15 funds expended prior to the effective date of this Act. In case of any dispute as to the
16 amount of the matching fund or what money or assets may qualify as matching funds, the
17 Board of Public Works shall determine the matter and the Board's decision is final. The
18 grantee has until June 1, 1999, to present evidence satisfactory to the Board of Public
19 Works that a matching fund will be provided. If satisfactory evidence is presented, the
20 Board shall certify this fact and the amount of the matching fund to the State Treasurer,
21 and the proceeds of the loan equal to the amount of the matching fund shall be expended
22 for the purposes provided in this Act. Any amount of the loan in excess of the amount of
23 the matching fund certified by the Board of Public Works shall be canceled and be of no
24 further effect.

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

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 June 1, 1997.