

HOUSE BILL 1104

Unofficial Copy
B2

1998 Regular Session
(8lr2323)

ENROLLED BILL
-- Appropriations/Budget and Taxation --

Introduced by **Delegates McClenahan, Bozman, and Conway**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - McCready Memorial Hospital**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$115,000,
4 the proceeds to be used as a grant to the Board of Directors of McCready
5 Memorial Hospital, Inc. for certain acquisition, 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; providing
8 for a repayment equal to a certain amount of the grant under certain
9 circumstances; and providing generally for the issuance and sale of bonds
10 evidencing the loan.

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

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the McCready
15 Memorial Hospital Loan of 1998 in a total principal amount equal to the lesser of (i)
16 \$115,000 or (ii) the amount of the matching fund provided in accordance with Section

1 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of State
2 general obligation bonds authorized by a resolution of the Board of Public Works and
3 issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State
4 Finance and Procurement Article and Article 31, § 22 of the Code.

5 (2) The bonds to evidence this loan or installments of this loan may be sold as
6 a single issue or may be consolidated and sold as part of a single issue of bonds under
7 § 8-122 of the State Finance and Procurement Article.

8 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
9 and first shall be applied to the payment of the expenses of issuing, selling, and
10 delivering the bonds, unless funds for this purpose are otherwise provided, and then
11 shall be credited on the books of the Comptroller and expended, on approval by the
12 Board of Public Works, for the following public purposes, including any applicable
13 architects' and engineers' fees: as a grant to the Board of Directors of McCready
14 Memorial Hospital, Inc. (referred to hereafter in this Act as "the grantee") for the
15 planning, design, renovation, repair, reconstruction, construction, capital equipping,
16 and general upgrading of the emergency department facilities, creating a chest pain
17 unit, and providing health education services at the McCready Memorial Hospital in
18 Crisfield.

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

23 (5) (a) Prior to the payment of any funds under the provisions of this Act for
24 the purposes set forth in Section 1(3) above, the grantee shall provide and expend a
25 matching fund. No part of the grantee's matching fund may be provided, either
26 directly or indirectly, from funds of the State, whether appropriated or
27 unappropriated. No part of the fund may consist of real property or in kind
28 contributions. The fund may consist of funds expended prior to the effective date of
29 this Act. In case of any dispute as to the amount of the matching fund or what money
30 or assets may qualify as matching funds, the Board of Public Works shall determine
31 the matter and the Board's decision is final. The grantee has until June 1, 2000, to
32 present evidence satisfactory to the Board of Public Works that a matching fund will
33 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
34 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
35 equal to the amount of the matching fund shall be expended for the purposes provided
36 in this Act. Any amount of the loan in excess of the amount of the matching fund
37 certified by the Board of Public Works shall be canceled and be of no further effect.

38 (b) Notwithstanding any other provision of law, the grantee shall repay to
39 the State an amount equal to the amount of the grant multiplied by a fraction, the
40 numerator of which is the time remaining on the life of the bonds and the denominator
41 of which is the total life of the bonds, if the grantee:

42 (i) ceases to exist as a nonprofit entity; or

1 (ii) *sells, leases, exchanges, gives, or transfers in any way the*
2 *property that was acquired, constructed, or improved with grant funds to a for profit*
3 *entity.*

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 June 1, 1998.