

SENATE BILL 111

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B2

1998 Regular Session  
8lr0923  
CF 8lr1465

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By: **Senators Della, Jimeno, and Middlebrooks**  
Introduced and read first time: January 19, 1998  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 27, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Harbor Hospital Center**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$700,000,  
4 the proceeds to be used as a grant to the Board of Directors of Harbor Hospital  
5 Center, Inc. for certain acquisition, development, or improvement purposes;  
6 providing for disbursement of the loan proceeds, subject to a requirement that  
7 the grantee provide and expend a matching fund; providing for a repayment  
8 equal to a certain amount of the grant under certain circumstances; and  
9 providing generally for 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  
14 City - Harbor Hospital Center Loan of 1998 in a total principal amount equal to the  
15 lesser of (i) \$700,000 or (ii) the amount of the matching fund provided in accordance  
16 with Section 1(5) below. This loan shall be evidenced by the issuance, sale, and  
17 delivery of State general obligation bonds authorized by a resolution of the Board of  
18 Public Works and issued, sold, and delivered in accordance with §§ 8-117 through  
19 8-124 of the State 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  
21 a 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  
24 and first shall be applied to the payment of the expenses of issuing, selling, and  
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then

1 shall be credited on the books of the Comptroller and expended, on approval by the  
2 Board of Public Works, for the following public purposes, including any applicable  
3 architects' and engineers' fees: as a grant to the Board of Directors of Harbor Hospital  
4 Center, Inc. (referred to hereafter in this Act as "the grantee") for the planning,  
5 design, renovation, repair, construction, and capital equipping of the emergency  
6 department of the hospital, to be located at 3001 South Hanover Street in Baltimore.

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

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

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

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

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

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

