
By: **Senator Conway**

Introduced and read first time: February 5, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Maryland General Hospital**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$480,000,
4 the proceeds to be used as a grant to the Board of Directors of Maryland General
5 Hospital, 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; and providing generally for
8 the issuance and sale of bonds evidencing the loan.

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

11 (1) The Board of Public Works may borrow money and incur indebtedness on
12 behalf of the State of Maryland through a State loan to be known as the Maryland
13 General Hospital Project Loan of 1998 in a total principal amount equal to the lesser
14 of (i) \$480,000 or (ii) the amount of the matching fund provided in accordance with
15 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
16 State general obligation bonds authorized by a resolution of the Board of Public
17 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
18 the State Finance and Procurement Article and Article 31, § 22 of the Code.

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

22 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
23 and first shall be applied to the payment of the expenses of issuing, selling, and
24 delivering the bonds, unless funds for this purpose are otherwise provided, and then
25 shall be credited on the books of the Comptroller and expended, on approval by the
26 Board of Public Works, for the following public purposes, including any applicable
27 architects' and engineers' fees: as a grant to the Board of Directors of Maryland
28 General Hospital, Inc. (referred to hereafter in this Act as "the grantee") for the repair
29 and renovation of the inpatient psychiatric and geropsychiatric facility of the
30 Hospital, thereby improving the psychiatric services offered to the medically
31 underserved citizens of Baltimore City.

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

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

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