

SENATE BILL 230

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B2

1999 Regular Session  
9lr0913  
CF 9lr1110

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By: **Senators Forehand, Ruben, Teitelbaum, Roesser, Frosh, and Van Hollen**  
Introduced and read first time: February 2, 1999  
Assigned to: Budget and Taxation

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Committee Report: Favorable  
Senate action: Adopted  
Read second time: April 1, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Adventist HealthCare**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$612,000,  
4 the proceeds to be used as a grant to the Board of Directors of Adventist  
5 HealthCare for certain 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 the proceeds of the  
8 loan or any of the matching fund from use for religious purposes; and providing  
9 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 Montgomery  
14 County - Adventist HealthCare Loan of 1999 in a total principal amount equal to the  
15 lesser of (i) \$612,000 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 Adventist  
4 HealthCare (referred to hereafter in this Act as "the grantee") for the construction,  
5 reconstruction, repair, renovation, reconfiguration, and capital equipping of the  
6 emergency department, including the chest pain center, the pediatric emergency  
7 department, and the sexual abuse assault center, at Shady Grove Adventist Hospital.

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

12 (5) Prior to the payment of any funds under the provisions of this Act for the  
13 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
14 matching fund. No part of the grantee's matching fund may be provided, either  
15 directly or indirectly, from funds of the State, whether appropriated or  
16 unappropriated. No part of the fund may consist of real property or in kind  
17 contributions. The fund may consist of funds expended prior to the effective date of  
18 this Act. In case of any dispute as to the amount of the matching fund or what money  
19 or assets may qualify as matching funds, the Board of Public Works shall determine  
20 the matter and the Board's decision is final. The grantee has until June 1, 2001, to  
21 present evidence satisfactory to the Board of Public Works that a matching fund will  
22 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
23 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
24 equal to the amount of the matching fund shall be expended for the purposes provided  
25 in this Act. Any amount of the loan in excess of the amount of the matching fund  
26 certified by the Board of Public Works shall be canceled and be of no further effect.

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

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
36 June 1, 1999.

