

HOUSE BILL 618

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B2

2001 Regular Session  
11r2122  
CF 11r2715

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By: ~~Delegate~~ Delegates Donoghue, Shank, and McKee  
Introduced and read first time: February 7, 2001  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted with floor amendments  
Read second time: March 24, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Washington County Health System, Inc. System -**  
3 **Walnut Street Community Health Center**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$470,000,  
5 the proceeds to be used as a grant to the Board of Directors of Washington  
6 County Health System, Inc. for certain development or improvement purposes;  
7 providing for disbursement of the loan proceeds, subject to a requirement that  
8 the grantee provide and expend a matching fund; 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 Washington  
14 County Health ~~System, Inc.~~ System - Walnut Street Community Health Center Loan  
15 of 2001 in a total principal amount equal to the lesser of (i) \$470,000 or (ii) the  
16 amount of the matching fund provided in accordance with Section 1(5) below. This  
17 loan shall be evidenced by the issuance, sale, and delivery of State general obligation  
18 bonds authorized by a resolution of the Board of Public Works and issued, sold, and  
19 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and  
20 Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as  
22 a single issue or may be consolidated and sold as part of a single issue of bonds under  
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
25 and first shall be applied to the payment of the expenses of issuing, selling, and

1 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
2 shall be credited on the books of the Comptroller and expended, on approval by the  
3 Board of Public Works, for the following public purposes, including any applicable  
4 architects' and engineers' fees: as a grant to the Board of Directors of Washington  
5 County Health System, Inc. (referred to hereafter in this Act as "the grantee") for the  
6 planning, design, renovation, repair, construction, and capital equipping of Phase II of  
7 the Walnut Street Community Health Center, to be located at 24 North Walnut Street  
8 in Hagerstown.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the  
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
15 matching fund. No part of the grantee's matching fund may be provided, either  
16 directly or indirectly, from funds of the State, whether appropriated or  
17 unappropriated. No part of the fund may consist of real property or in kind  
18 contributions. The fund may consist of funds expended prior to the effective date of  
19 this Act. In case of any dispute as to the amount of the matching fund or what money  
20 or assets may qualify as matching funds, the Board of Public Works shall determine  
21 the matter and the Board's decision is final. The grantee has until June 1, 2003, to  
22 present evidence satisfactory to the Board of Public Works that a matching fund will  
23 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
24 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
25 equal to the amount of the matching fund shall be expended for the purposes provided  
26 in this Act. Any amount of the loan in excess of the amount of the matching fund  
27 certified by the Board of Public Works shall be canceled and be of no further effect.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
29 effect June 1, 2001.