

HOUSE BILL 829

Unofficial Copy
B2

2002 Regular Session
2lr2155
CF SB 58

By: **Delegates V. Jones, Branch, Cadden, A. Jones, Kirk, Marriott, Paige, and Rawlings**

Introduced and read first time: February 7, 2002

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Bon Secours Baltimore Health**
3 **System, Inc.**

4 FOR the purpose of authorizing the creation of a State Debt in the amount of
5 \$970,000, the proceeds to be used as a grant to the Board of Directors of Bon
6 Secours Baltimore Health System, Inc. for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund in the
9 amount of \$241,000; 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 Bon Secours
15 Baltimore Health System Loan of 2002 in the total principal amount of \$970,000. This
16 loan shall be evidenced by the issuance, sale, and delivery of State general obligation
17 bonds authorized by a resolution of the Board of Public Works and issued, sold, and
18 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
19 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
26 shall be credited on the books of the Comptroller and expended, on approval by the
27 Board of Public Works, for the following public purposes, including any applicable
28 architects' and engineers' fees: as a grant to the Board of Directors of Bon Secours
29 Baltimore Health System, Inc. (referred to hereafter in this Act as "the grantee") for
30 the planning, design, renovation, repair, construction, and capital equipping of the
31 emergency department, to be located at 2000 West Baltimore Street in Baltimore.

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 of \$241,000. No part of the grantee's matching fund may be provided,
8 either 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 fund may consist of funds expended prior to the effective date of
11 this Act. In case of any dispute as to the amount of the matching fund or what money
12 or assets may qualify as matching funds, the Board of Public Works shall determine
13 the matter and the Board's decision is final. The grantee has until June 1, 2004, to
14 present evidence satisfactory to the Board of Public Works that a matching fund will
15 be provided. If satisfactory evidence is presented, the Board shall certify this fact to
16 the State Treasurer, and the proceeds of the loan shall be expended for the purposes
17 provided in this Act.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 June 1, 2002.