
By: **Senator Middleton**

Introduced and read first time: February 4, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Community Health Care Access and Safety Net Act of 2005**

3 FOR the purpose of establishing the Maryland Community Health Resources
4 Commission within the Department of Health and Mental Hygiene; providing
5 for the purpose, membership, appointment of members, terms of members,
6 reimbursement for certain expenses of members, staff, and appointment of a
7 chair and vice chair of the Commission; establishing the powers and duties of
8 the Commission; authorizing the Commission to adopt regulations; requiring
9 the Commission to adopt rules and regulations that relate to its meetings,
10 minutes, and transactions; providing that a certain power of the Secretary of
11 Health and Mental Hygiene does not apply to the Commission; requiring the
12 Commission to coordinate with certain groups in fulfilling its duties; requiring
13 the Commission to adopt certain regulations relating to criteria to qualify as a
14 community health resource; requiring the Commission to adopt certain
15 regulations relating to the services that a community health resource shall
16 provide; requiring the Commission to adopt certain regulations relating to
17 grants; requiring the Commission to administer, develop, identify, evaluate, and
18 study certain programs; requiring the Commission to submit certain reports to
19 the Governor and the General Assembly on or before certain dates; requiring the
20 final report of the Commission to include a plan for transitioning responsibility
21 of any ongoing duties of the Commission to the Department and
22 recommendations for legislative changes; establishing the Community Health
23 Resources Fund; providing that the Treasurer shall hold the Fund separately
24 and the Comptroller shall account for the Fund; providing for the contents and
25 use of the Fund; providing for the investment of the Fund; providing that the
26 Fund shall be subject to a certain audit; establishing the Federally Qualified
27 Health Centers Grant Program; authorizing the Board of Public Works, on the
28 recommendation of the Secretary of Health and Mental Hygiene, to provide
29 grants under the Program to counties, municipal corporations, and nonprofit
30 corporations for the conversion of public buildings to federally qualified health
31 centers facilities, the acquisition of existing buildings or parts of buildings for
32 use as federally qualified health centers, the renovation of federally qualified
33 health centers, the purchase of capital equipment for federally qualified health
34 centers, and the planning, design, and construction of federally qualified health
35 centers; requiring the Department to make certain recommendations; providing

1 for the grant application process; authorizing the Board of Public Works to make
 2 certain funds available for a State grant under certain circumstances; providing
 3 certain terms, conditions, and limitations on the allocation, use, and amount of
 4 State grants; prohibiting proceeds of a grant from being used for certain
 5 religious purposes; requiring the Governor to include a certain amount of
 6 funding in the capital budget for the Federally Qualified Health Centers Grant
 7 Program; authorizing the Board of Public Works to adopt certain regulations;
 8 authorizing the State, under certain circumstances, to recover a certain portion
 9 of the State funds expended; authorizing the Secretary of the Board of Public
 10 Works to file a civil complaint; providing for a certain judicial proceeding, a
 11 temporary lien to enforce the State's right of recovery, the priority of the
 12 proceedings, the issuance of a final judgment if a default has occurred, and the
 13 disposition of the recovery of funds; authorizing the Department to adopt certain
 14 regulations; defining certain terms; providing for the termination of certain
 15 provisions of this Act; and generally relating to access to health care services
 16 through community health resources and federally qualified health centers.

17 BY adding to

18 Article - Health - General

19 Section 19-2101 through 19-2109, inclusive, to be under the new subtitle
 20 "Subtitle 21. Maryland Community Health Resources Commission";
 21 19-2201 to be under the new subtitle "Subtitle 22. Community Health
 22 Resources Fund"; and 24-1301 through 24-1307, inclusive, to be under the
 23 new subtitle "Subtitle 13. Federally Qualified Health Centers Grant
 24 Program"

25 Annotated Code of Maryland

26 (2000 Replacement Volume and 2004 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 28 MARYLAND, That the Laws of Maryland read as follows:

29 **Article - Health - General**

30 **SUBTITLE 21. MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION.**

31 19-2101.

32 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 33 INDICATED.

34 (B) "COMMISSION" MEANS THE MARYLAND COMMUNITY HEALTH RESOURCES
 35 COMMISSION.

36 (C) (1) "COMMUNITY HEALTH RESOURCE" MEANS A NONPROFIT HEALTH
 37 CARE CENTER OR PROGRAM THAT OFFERS THE PRIMARY HEALTH CARE SERVICES
 38 REQUIRED BY THE COMMISSION UNDER § 19-2108(A)(2) OF THIS SUBTITLE TO AN
 39 INDIVIDUAL ON A SLIDING SCALE FEE SCHEDULE AND WITHOUT REGARD TO AN
 40 INDIVIDUAL'S ABILITY TO PAY.

- 1 (2) "COMMUNITY HEALTH RESOURCE" INCLUDES:
- 2 (I) A FEDERALLY QUALIFIED HEALTH CENTER;
- 3 (II) A FEDERALLY QUALIFIED HEALTH CENTER "LOOK-ALIKE";
- 4 (III) A COMMUNITY HEALTH CENTER;
- 5 (IV) A MIGRANT HEALTH CENTER;
- 6 (V) A HEALTH CARE PROGRAM FOR THE HOMELESS;
- 7 (VI) A PRIMARY CARE PROGRAM FOR A PUBLIC HOUSING PROJECT;
- 8 (VII) A LOCAL NONPROFIT AND COMMUNITY-OWNED HEALTH CARE
9 PROGRAM;
- 10 (VIII) A SCHOOL-BASED CLINIC;
- 11 (IX) A TEACHING CLINIC FOR HEALTH CARE PROFESSIONALS NOT
12 LOCATED IN SPACE REGULATED BY THE HEALTH SERVICES COST REVIEW
13 COMMISSION;
- 14 (X) A WELLMOBILE;
- 15 (XI) A HEALTH CENTER CONTROLLED OPERATING NETWORK; AND
- 16 (XII) ANY OTHER CENTER OR PROGRAM IDENTIFIED BY THE
17 COMMISSION AS A COMMUNITY HEALTH RESOURCE.

18 19-2102.

19 (A) THERE IS A MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION
20 IN THE DEPARTMENT.

21 (B) THE PURPOSE OF THE COMMISSION IS TO INCREASE ACCESS TO HEALTH
22 CARE SERVICES THROUGH COMMUNITY HEALTH RESOURCES.

23 19-2103.

24 (A) (1) THE COMMISSION CONSISTS OF SEVEN MEMBERS APPOINTED BY
25 THE GOVERNOR.

26 (2) OF THE SEVEN MEMBERS, FOUR SHALL BE INDIVIDUALS WHO DO
27 NOT HAVE ANY CONNECTION WITH THE MANAGEMENT OR POLICY OF ANY
28 COMMUNITY HEALTH RESOURCE.

29 (B) TO THE EXTENT PRACTICABLE, WHEN APPOINTING MEMBERS TO THE
30 COMMISSION, THE GOVERNOR SHALL ASSURE GEOGRAPHIC BALANCE AND
31 PROMOTE RACIAL DIVERSITY IN THE COMMISSION'S MEMBERSHIP.

1 (C) THE TERM OF A MEMBER IS 4 YEARS.

2 19-2104.

3 FROM AMONG THE MEMBERS OF THE COMMISSION:

4 (1) THE GOVERNOR SHALL APPOINT A CHAIR; AND

5 (2) THE CHAIR SHALL APPOINT A VICE CHAIR.

6 19-2105.

7 (A) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE
8 COMMISSION IS A QUORUM.

9 (B) A MEMBER OF THE COMMISSION:

10 (1) MAY NOT RECEIVE COMPENSATION; BUT

11 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
12 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

13 (C) THE COMMISSION MAY EMPLOY A STAFF IN ACCORDANCE WITH THE
14 STATE BUDGET.

15 19-2106.

16 (A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE,
17 THE COMMISSION MAY:

18 (1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS
19 SUBTITLE;

20 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS;

21 (3) APPOINT ADVISORY COMMITTEES, WHICH MAY INCLUDE
22 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC OR PRIVATE
23 ORGANIZATIONS;

24 (4) APPLY FOR AND ACCEPT ANY FUNDS, PROPERTY, OR SERVICES FROM
25 ANY PERSON OR GOVERNMENT AGENCY;

26 (5) MAKE AGREEMENTS WITH A GRANTOR OR PAYOR OF FUNDS,
27 PROPERTY, OR SERVICES, INCLUDING AN AGREEMENT TO MAKE ANY STUDY, PLAN,
28 DEMONSTRATION, OR PROJECT;

29 (6) PUBLISH AND GIVE OUT ANY INFORMATION THAT RELATES TO
30 EXPANDING ACCESS TO HEALTH CARE SERVICES THROUGH COMMUNITY HEALTH
31 RESOURCES THAT IS CONSIDERED DESIRABLE OR IN THE PUBLIC INTEREST; AND

1 (7) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY
2 OTHER POWER THAT IS NECESSARY TO CARRY OUT THE PURPOSES OF THIS
3 SUBTITLE.

4 (B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE,
5 THE COMMISSION SHALL:

6 (1) ADOPT RULES AND REGULATIONS THAT RELATE TO ITS MEETINGS,
7 MINUTES, AND TRANSACTIONS; AND

8 (2) KEEP MINUTES OF EACH MEETING.

9 19-2107.

10 (A) THE POWER OF THE SECRETARY OVER THE PROCUREMENT PROCEDURE
11 FOR UNITS IN THE DEPARTMENT DOES NOT APPLY TO THE PROCUREMENT
12 PROCEDURE FOR THE COMMISSION.

13 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, ANY
14 PROCUREMENT FOR SERVICES TO BE PERFORMED OR FOR SUPPLIES TO BE
15 DELIVERED TO THE COMMISSION IS SUBJECT TO THE STATE FINANCE AND
16 PROCUREMENT ARTICLE.

17 19-2108.

18 (A) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE,
19 THE COMMISSION SHALL:

20 (1) ESTABLISH BY REGULATION THE CRITERIA TO QUALIFY AS A
21 COMMUNITY HEALTH RESOURCE UNDER THIS SUBTITLE;

22 (2) ESTABLISH BY REGULATION THE SERVICES THAT A COMMUNITY
23 HEALTH RESOURCE SHALL PROVIDE TO QUALIFY AS A COMMUNITY HEALTH
24 RESOURCE UNDER THIS SUBTITLE;

25 (3) REQUIRE COMMUNITY HEALTH RESOURCES TO SUBMIT A PLAN TO
26 THE COMMISSION ON HOW THE COMMUNITY HEALTH RESOURCE WILL PROVIDE OR
27 ARRANGE TO PROVIDE MENTAL HEALTH SERVICES;

28 (4) IDENTIFY AND SEEK FEDERAL AND STATE FUNDING FOR THE
29 EXPANSION OF COMMUNITY HEALTH RESOURCES;

30 (5) ESTABLISH BY REGULATION THE CRITERIA FOR COMMUNITY
31 HEALTH RESOURCES TO QUALIFY FOR OPERATING GRANTS AND THE PROCEDURES
32 FOR APPLYING FOR OPERATING GRANTS;

33 (6) ADMINISTER OPERATING GRANT FUND PROGRAMS FOR QUALIFYING
34 COMMUNITY HEALTH RESOURCES;

1 (7) DEVELOP A REVOLVING LOAN PROGRAM TO ASSIST COMMUNITY
2 HEALTH RESOURCES TO OBTAIN REDUCED DRUG PRICES UNDER § 340B OF THE
3 FEDERAL PUBLIC HEALTH SERVICE ACT;

4 (8) IDENTIFY PROGRAMS AND POLICIES TO ENCOURAGE SPECIALIST
5 PROVIDERS TO SERVE INDIVIDUALS REFERRED FROM COMMUNITY HEALTH
6 RESOURCES;

7 (9) IDENTIFY PROGRAMS AND POLICIES TO ENCOURAGE HOSPITALS
8 AND COMMUNITY HEALTH RESOURCES TO PARTNER TO INCREASE ACCESS TO
9 HEALTH CARE SERVICES;

10 (10) ESTABLISH A REVERSE REFERRAL PILOT PROGRAM UNDER WHICH A
11 HOSPITAL WILL IDENTIFY AND ASSIST PATIENTS IN ACCESSING HEALTH CARE
12 SERVICES THROUGH A COMMUNITY HEALTH RESOURCE;

13 (11) EVALUATE THE FEASIBILITY OF DEVELOPING A UNIFIED
14 INFORMATION AND DATA MANAGEMENT SYSTEM FOR USE BY ALL COMMUNITY
15 HEALTH RESOURCES THAT IS INTEGRATED WITH THE LOCAL HOSPITAL SYSTEMS TO
16 TRACK THE TREATMENT OF INDIVIDUAL PATIENTS AND THAT PROVIDES REAL-TIME
17 INDICATORS OF AVAILABLE RESOURCES;

18 (12) IDENTIFY AND PROVIDE ASSISTANCE, INCLUDING TECHNICAL
19 ASSISTANCE, TO ENABLE COMMUNITY HEALTH RESOURCES TO RECEIVE FEDERAL
20 OR STATE DESIGNATIONS FOR WHICH THE RESOURCE MAY BE ELIGIBLE;

21 (13) WORK IN CONJUNCTION WITH THE OFFICE OF PRIMARY CARE IN
22 THE IDENTIFICATION OF THE STATE'S HEALTH PROFESSIONAL SHORTAGE AREAS,
23 MEDICALLY UNDERSERVED AREAS, AND MEDICALLY UNDERSERVED POPULATIONS;

24 (14) DEVELOP AN OUTREACH PROGRAM TO EDUCATE AND INFORM
25 INDIVIDUALS OF THE AVAILABILITY OF COMMUNITY HEALTH RESOURCES AND
26 ASSIST INDIVIDUALS UNDER 200% OF THE FEDERAL POVERTY LEVEL WHO DO NOT
27 HAVE HEALTH INSURANCE TO ACCESS HEALTH CARE SERVICES THROUGH
28 COMMUNITY HEALTH RESOURCES;

29 (15) STUDY SCHOOL-BASED CLINIC FUNDING AND ACCESS ISSUES
30 INCLUDING BUT NOT LIMITED TO REIMBURSEMENT OF SCHOOL-BASED HEALTH
31 CENTERS BY MANAGED CARE ORGANIZATIONS, COMMERCIAL INSURERS, AND
32 HEALTH MAINTENANCE ORGANIZATIONS; AND

33 (16) STUDY ACCESS AND REIMBURSEMENT ISSUES REGARDING THE
34 PROVISION OF DENTAL SERVICES.

35 (B) THE COMMISSION SHALL CONSIDER GEOGRAPHIC BALANCE AS A FACTOR
36 IN DEVELOPING CRITERIA UNDER SUBSECTION (A)(5) OF THIS SECTION FOR
37 COMMUNITY HEALTH RESOURCES TO QUALIFY FOR CAPITAL AND OPERATING
38 GRANTS.

1 (C) THE REVERSE REFERRAL PILOT PROGRAM ESTABLISHED UNDER
2 SUBSECTION (A)(10) OF THIS SECTION SHALL INCLUDE AT LEAST A HOSPITAL AND A
3 COMMUNITY HEALTH RESOURCE FROM A RURAL, URBAN, AND SUBURBAN AREA OF
4 THIS STATE.

5 (D) THE COMMISSION, IN DEVELOPING AND IMPLEMENTING THE OUTREACH
6 PROGRAM ESTABLISHED UNDER SUBSECTION (A)(14) OF THIS SECTION, SHALL
7 CONSULT AND COORDINATE WITH THE MOTOR VEHICLE ADMINISTRATION,
8 WORKFORCE INVESTMENT BOARDS, LOCAL DEPARTMENTS OF SOCIAL SERVICES,
9 LOCAL HEALTH DEPARTMENTS, MEDBANK INC., THE COMPTROLLER, THE MARYLAND
10 HEALTH CARE COMMISSION, HOSPITALS, COMMUNITY HEALTH RESOURCES, AND
11 PHYSICIANS TO PROVIDE OUTREACH AND CONSUMER INFORMATION.

12 (E) THE COMMISSION, IN CONDUCTING THE SCHOOL-BASED CLINIC STUDY
13 REQUIRED UNDER SUBSECTION (A)(15) OF THIS SECTION, SHALL SOLICIT INPUT
14 FROM AND CONSULT WITH LOCAL GOVERNMENTS THAT OPERATE SCHOOL-BASED
15 HEALTH CENTERS, THE STATE DEPARTMENT OF EDUCATION, THE MARYLAND
16 INSURANCE COMMISSIONER, REPRESENTATIVES FROM SCHOOL-BASED HEALTH
17 CENTERS, PROVIDERS, AND INSURERS.

18 (F) THE COMMISSION, IN CONDUCTING THE DENTAL SERVICES STUDY
19 REQUIRED UNDER SUBSECTION (A)(16) OF THIS SECTION, SHALL SELECT INPUT
20 FROM AND CONSULT WITH COMMUNITY HEALTH RESOURCES THAT PROVIDE
21 DENTAL SERVICES, MANAGED CARE ORGANIZATIONS, THE UNIVERSITY OF
22 MARYLAND SCHOOL OF DENTISTRY, AND DENTAL SERVICE PROVIDERS.

23 19-2109.

24 (A) THE COMMISSION SHALL SUBMIT THE FOLLOWING REPORTS TO THE
25 GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT
26 ARTICLE, TO THE GENERAL ASSEMBLY ON ITS ACTIVITIES, FINDINGS, AND
27 RECOMMENDATIONS, INCLUDING THE ACTIVITIES, FINDINGS, AND
28 RECOMMENDATIONS OF ITS STANDING COMMITTEES:

29 (1) AN INTERIM REPORT ON OR BEFORE JUNE 30, 2006;

30 (2) AN INTERIM REPORT ON OR BEFORE JUNE 30, 2007; AND

31 (3) A FINAL REPORT ON OR BEFORE JUNE 30, 2008.

32 (B) THE FINAL REPORT OF THE COMMISSION SHALL INCLUDE:

33 (1) A PLAN FOR TRANSITIONING RESPONSIBILITY FOR ANY ONGOING
34 DUTIES OF THE COMMISSION UNDER THIS SUBTITLE TO THE DEPARTMENT; AND

35 (2) RECOMMENDATIONS FOR LEGISLATIVE CHANGES.

36 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
37 read as follows:

Article - Health - General

SUBTITLE 22. COMMUNITY HEALTH RESOURCES FUND.

19-2201.

(A) IN THIS SECTION, "FUND" MEANS THE COMMUNITY HEALTH RESOURCES FUND.

(B) THERE IS A COMMUNITY HEALTH RESOURCES FUND.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) THE FUND MAY BE USED ONLY TO:

(1) COVER THE ADMINISTRATIVE COSTS OF THE COMMISSION AS OF JULY 1, 2005 THROUGH JUNE 30, 2008;

(2) COVER THE ACTUAL DOCUMENTED DIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE COMMISSION IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE AS OF JULY 1, 2005 THROUGH JUNE 30, 2008; AND

(3) PROVIDE OPERATING GRANTS TOTALING \$5,000,000 ANNUALLY BEGINNING IN FISCAL YEAR 2006 TO QUALIFYING COMMUNITY HEALTH RESOURCES.

(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO THE CREDIT OF THE FUND.

(G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(H) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

1 SUBTITLE 13. FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

2 24-1301.

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (B) "FEDERALLY QUALIFIED HEALTH CENTER" MEANS A HEALTH CENTER
6 THAT IS:

7 (1) DESIGNATED AS A FEDERALLY QUALIFIED HEALTH CENTER UNDER
8 § 330 OF THE FEDERAL PUBLIC HEALTH SERVICE ACT, 42 U.S.C. 254B; AND

9 (2) WHOLLY OWNED BY AND OPERATED UNDER THE AUTHORITY OF A
10 COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION.

11 (C) "NONPROFIT ORGANIZATION" MEANS:

12 (1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE
13 EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR
14 ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY,
15 THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A
16 FACILITY; OR

17 (2) AN ORGANIZATION:

18 (I) THAT IS CHARTERED AS A NONPROFIT CORPORATION AND
19 CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS NONPROFIT; AND

20 (II) NO PART OF THE EARNINGS OF WHICH INURES TO THE
21 BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE
22 MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO
23 BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY.

24 (D) "WHOLLY OWNED" INCLUDES LEASED, IF:

25 (1) (I) THE LEASE IS FOR A MINIMUM TERM OF 15 YEARS FOLLOWING
26 PROJECT COMPLETION; OR

27 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE
28 TO THE LESSEE; AND

29 (2) THE LESSOR CONSENTS TO THE RECORDING IN THE LAND RECORDS
30 OF THE COUNTY OR BALTIMORE CITY WHERE THE FACILITY IS LOCATED, OF A
31 NOTICE OF THE STATE'S RIGHT OF RECOVERY AS PROVIDED UNDER § 24-1306 OF THIS
32 SUBTITLE.

33 24-1302.

34 (A) THERE IS A FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

1 (B) ON THE RECOMMENDATION OF THE SECRETARY, THE BOARD OF PUBLIC
2 WORKS MAY MAKE GRANTS TO COUNTIES, MUNICIPAL CORPORATIONS, AND
3 NONPROFIT ORGANIZATIONS FOR:

4 (1) THE CONVERSION OF PUBLIC BUILDINGS OR PARTS OF PUBLIC
5 BUILDINGS TO FEDERALLY QUALIFIED HEALTH CENTERS;

6 (2) THE ACQUISITION OF EXISTING BUILDINGS OR PARTS OF BUILDINGS
7 FOR USE AS FEDERALLY QUALIFIED HEALTH CENTERS;

8 (3) THE RENOVATION OF FEDERALLY QUALIFIED HEALTH CENTERS;

9 (4) THE PURCHASE OF CAPITAL EQUIPMENT FOR FEDERALLY
10 QUALIFIED HEALTH CENTERS; OR

11 (5) THE PLANNING, DESIGN, AND CONSTRUCTION OF FEDERALLY
12 QUALIFIED HEALTH CENTERS.

13 24-1303.

14 (A) ANY COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION
15 SPONSORING A PROJECT INVOLVING WORK SPECIFIED IN § 24-1302 OF THIS
16 SUBTITLE MAY APPLY TO THE SECRETARY FOR A STATE GRANT TO BE APPLIED
17 TOWARD THE COST OF THAT PROJECT.

18 (B) THE APPLICATION SHALL INCLUDE:

19 (1) PROJECT PLANS FOR THE WORK TO BE CARRIED OUT;

20 (2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE
21 EMPLOYED AT THE FEDERALLY QUALIFIED HEALTH CENTER, INCLUDING ALL
22 REMUNERATION AND PERQUISITES FOR PERSONAL SERVICES AND ALL OTHER
23 EXPENSES PAID OR TO BE PAID TO THESE PERSONNEL;

24 (3) ALL OTHER EXPENSES INCURRED OR TO BE INCURRED IN
25 OPERATING THE FEDERALLY QUALIFIED HEALTH CENTER; AND

26 (4) THE SCHEDULE OF RATES CHARGED OR TO BE CHARGED FOR
27 SERVICES RENDERED.

28 (C) ON APPROVAL OF A PROJECT AND THE PROJECT PLANS, THE SECRETARY
29 SHALL PROMPTLY REPORT THE APPLICATION TO THE BOARD OF PUBLIC WORKS,
30 TOGETHER WITH THE SECRETARY'S RECOMMENDATION, THAT THE BOARD MAKE
31 FUNDS AVAILABLE AS PROVIDED IN THIS SUBTITLE.

32 24-1304.

33 (A) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE
34 SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS SECTION.

1 (B) STATE FUNDS MAY ONLY BE USED FOR THE PURPOSES LISTED UNDER §
2 24-1302 OF THIS SUBTITLE AND APPROVED BY THE SECRETARY UNDER § 24-1303 OF
3 THIS SUBTITLE.

4 (C) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE
5 SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

6 (1) ANY FEDERAL OR OTHER GRANT THAT IS RECEIVED FOR AN
7 ELIGIBLE PROJECT SHALL BE APPLIED FIRST TO THE COST OF THE PROJECT;

8 (2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A STATE
9 GRANT MAY NOT EXCEED 50% OF THE COST OF ELIGIBLE WORK REMAINING UNPAID
10 AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED; AND

11 (3) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT
12 BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY
13 NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.

14 (D) FOR A PROJECT DESIGNATED AS ELIGIBLE FOR POVERTY AREA FUNDING
15 UNDER FEDERAL REGULATIONS, STATE PLANS, OR DEPARTMENTAL REGULATIONS, A
16 STATE GRANT MAY COVER UP TO 75% OF THE COST OF ELIGIBLE WORK REMAINING
17 UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED.

18 (E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF
19 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION
20 OF:

21 (1) ALL ELIGIBLE PROJECTS;

22 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE
23 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;
24 AND

25 (3) THE PRIORITIES OF AREA NEED ESTABLISHED BY THE DEPARTMENT.

26 (F) (1) NO PORTION OF THE PROCEEDS OF A STATE GRANT MAY BE USED:

27 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

28 (II) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR
29 CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN
30 RELIGIOUS WORSHIP OR INSTRUCTION; OR

31 (III) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF
32 DIVINITY FOR ANY RELIGIOUS DENOMINATION.

33 (2) ON THE REQUEST OF THE BOARD OF PUBLIC WORKS, THE
34 APPLICANT SHALL SUBMIT EVIDENCE SATISFACTORY TO THE BOARD OF PUBLIC
35 WORKS THAT THE PROCEEDS OF THE GRANT ARE NOT BEING USED FOR A PURPOSE
36 PROHIBITED UNDER THIS SUBSECTION OR UNDER APPLICABLE FEDERAL LAW.

1 (G) BEGINNING IN FISCAL YEAR 2007 AND CONTINUING EVERY YEAR
2 THEREAFTER, THE GOVERNOR SHALL INCLUDE AT LEAST \$5,000,000 IN THE STATE
3 CAPITAL BUDGET TO BE DISTRIBUTED AND MANAGED IN ACCORDANCE WITH THIS
4 SUBTITLE.

5 24-1305.

6 (A) THE BOARD OF PUBLIC WORKS SHALL MAKE ALLOCATIONS FROM FUNDS
7 AVAILABLE UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SUBTITLE.

8 (B) THE BOARD OF PUBLIC WORKS SHALL CERTIFY THE ALLOCATIONS TO THE
9 PROPER STATE OFFICERS, AND THE STATE TREASURER SHALL MAKE PAYMENTS TO
10 OR ON BEHALF OF THE APPLICANT, WHEN NEEDED, FOR THE APPROVED PROJECT.

11 (C) THE BOARD OF PUBLIC WORKS MAY ADOPT REGULATIONS TO IMPLEMENT
12 THIS SECTION.

13 24-1306.

14 (A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR
15 TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A
16 FEDERALLY QUALIFIED HEALTH CENTER, FROM THE OWNER, AN AMOUNT BEARING
17 THE SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS
18 CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE
19 PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT,
20 TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEYS' FEES INCURRED BY THE
21 STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION
22 OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS
23 SUBTITLE:

24 (1) IS SOLD OR TRANSFERRED TO ANY PERSON, AGENCY, OR
25 ORGANIZATION THAT WOULD NOT QUALIFY AS AN APPLICANT UNDER THIS
26 SUBTITLE, OR THAT IS NOT APPROVED AS A TRANSFEREE BY THE BOARD OF PUBLIC
27 WORKS; OR

28 (2) CEASES TO BE A FEDERALLY QUALIFIED HEALTH CENTER AS
29 DEFINED IN THIS SUBTITLE.

30 (B) (1) BEFORE THE STATE MAKES ANY FUNDS AVAILABLE FOR AN
31 APPROVED PROJECT, THE DEPARTMENT SHALL CAUSE A NOTICE OF THIS RIGHT OF
32 RECOVERY TO BE RECORDED IN THE LAND RECORDS OF THE COUNTY OR
33 BALTIMORE CITY WHERE THE PROPERTY IS LOCATED.

34 (2) THE RECORDING OF THE NOTICE:

35 (I) DOES NOT CREATE A LIEN AGAINST THE PROPERTY; BUT

36 (II) SHALL CONSTITUTE NOTICE TO ANY POTENTIAL TRANSFEREE,
37 POTENTIAL TRANSFEROR, POTENTIAL CREDITOR, OR OTHER INTERESTED PARTY OF
38 THE POSSIBILITY THAT THE STATE MAY OBTAIN A LIEN UNDER THIS SUBTITLE.

1 (C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A
2 CIVIL COMPLAINT UNDER SUBSECTION (B) OF THIS SECTION, IN THE CIRCUIT COURT
3 OF THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST
4 THE OWNER OF THE PROPERTY AND ANY OTHER INTERESTED PARTIES, INCLUDING
5 ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

6 (II) THE COMPLAINT SHALL BE FILED WITH:

7 1. SWORN AFFIDAVITS STATING FACTS ON WHICH THE
8 ALLEGATIONS OF DEFAULT ARE BASED; AND

9 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

10 (2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL
11 FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE
12 STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE
13 PROPERTY:

14 (I) IN THE AMOUNT OF THE STATE'S COMPLAINT PLUS ANY
15 ADDITIONAL AMOUNT ESTIMATED TO BE NECESSARY TO COVER THE COSTS AND
16 REASONABLE ATTORNEYS' FEES INCURRED BY THE STATE; OR

17 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE
18 REASONABLE.

19 (3) (I) A TEMPORARY LIEN SHALL TAKE EFFECT:

20 1. ON THE DATE OF THE COURT'S AUTHORIZATION, IF THE
21 SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF TEMPORARY
22 LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE
23 PROPERTY IS LOCATED WITHIN 10 DAYS AFTER THE COURT'S AUTHORIZATION; OR

24 2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS
25 RECORDED.

26 (II) WHILE THE TEMPORARY LIEN IS IN EFFECT, NEITHER THE
27 OWNER NOR ANY PERSON WHO ACQUIRED AN INTEREST IN THE PROPERTY AFTER
28 THE STATE FIRST MADE FUNDS AVAILABLE IN CONNECTION WITH THE PROPERTY
29 MAY, WITHOUT THE PRIOR WRITTEN CONSENT OF THE STATE:

30 1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO
31 THE PROPERTY; OR

32 2. INSTITUTE ANY PROCEEDINGS TO ENFORCE A SECURITY
33 INTEREST OR OTHER SIMILAR RIGHTS IN THE PROPERTY.

34 (4) (I) THE OWNER OF THE PROPERTY OR ANY OTHER INTERESTED
35 PARTY MAY OBTAIN RELEASE OF A TEMPORARY LIEN AT ANY TIME BY FILING WITH
36 THE COURT A BOND SECURING THE PAYMENT IN FULL OF THE STATE'S CLAIM AND

1 ANY ADDITIONAL AMOUNT NECESSARY TO COVER THE COSTS AND REASONABLE
2 ATTORNEYS' FEES INCURRED BY THE STATE.

3 (II) THE OWNER OR OTHER INTERESTED PARTY MAY CAUSE THE
4 RELEASE TO BE RECORDED IN THE LAND RECORDS.

5 (D) PROCEEDINGS TO DETERMINE THE STATE'S RIGHT TO RECOVER AND THE
6 AMOUNT OF ITS RECOVERY UNDER THIS SUBTITLE SHALL HAVE PRIORITY OVER
7 OTHER CIVIL PROCEEDINGS IN THE CIRCUIT COURTS.

8 (E) (1) (I) AT THE CONCLUSION OF FULL ADVERSARY PROCEEDINGS ON
9 THE ISSUE OF DEFAULT AND OF ANY DISPUTES OVER THE AMOUNT OF THE STATE'S
10 RECOVERY, THE CIRCUIT COURT SHALL, IF IT FINDS THAT A DEFAULT HAS
11 OCCURRED, ISSUE A FINAL JUDGMENT FOR THE AMOUNT IT FINDS TO BE
12 RECOVERABLE BY THE STATE.

13 (II) ALL PARTIES INVOLVED IN THE DEFAULT, INCLUDING IN
14 EVERY CASE THE OWNER OF THE PROPERTY, SHALL BE HELD JOINTLY AND
15 SEVERALLY LIABLE TO THE STATE FOR THE AMOUNT OF THE JUDGMENT.

16 (2) (I) EXCEPT AS THE STATE MAY OTHERWISE PROVIDE BY A
17 WRITTEN SUBORDINATION AGREEMENT, IF THE AMOUNT OF THE FINAL JUDGMENT
18 REMAINS UNPAID AFTER 30 DAYS FOLLOWING THE COURT'S FINAL ORDER, THE
19 FINAL JUDGMENT SHALL CONSTITUTE A LIEN ON THE PROPERTY, SUPERIOR TO THE
20 LIEN OR OTHER INTEREST OF A MORTGAGEE, PLEDGEE, PURCHASER, OR JUDGMENT
21 CREDITOR WHOSE INTEREST BECAME PERFECTED AGAINST THIRD PERSONS AFTER
22 THE STATE FIRST MADE FUNDS AVAILABLE UNDER THIS SUBTITLE.

23 (II) 1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS ITEM, A LIEN
24 TAKES EFFECT ON THE DATE A NOTICE OF LIEN IS RECORDED.

25 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE
26 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS
27 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE
28 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING
29 THE FINAL ORDER.

30 (III) 1. AT THE TIME THAT A LIEN TAKES EFFECT, ANY
31 TEMPORARY LIEN THEN IN EFFECT SHALL BE AUTOMATICALLY AND FULLY
32 RELEASED.

33 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE
34 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

35 (IV) A LIEN IMPOSED UNDER THIS SUBSECTION MAY BE ENFORCED
36 AND FORECLOSED IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED IN THE
37 MARYLAND RULES, EXCEPT THAT NEITHER THE STATE NOR ANY AGENT APPOINTED
38 BY THE STATE TO SELL THE PROPERTY NEED FILE A BOND.

1 (3) (I) THE OWNER OR ANY OTHER INTERESTED PARTY MAY OBTAIN
2 RELEASE OF A LIEN AT ANY TIME BY PAYING TO THE STATE THE FULL AMOUNT OF
3 THE JUDGMENT RENDERED BY THE CIRCUIT COURT, TOGETHER WITH INTEREST
4 FROM THE DATE OF JUDGMENT.

5 (II) ON PAYMENT IN FULL, THE SECRETARY OF THE BOARD OF
6 PUBLIC WORKS SHALL CAUSE A RELEASE TO BE RECORDED IN THE LAND RECORDS.

7 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT
8 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN
9 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT
10 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC
11 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

12 (F) (1) ALL FUNDS RECOVERED AS A RESULT OF THIS RIGHT OF RECOVERY
13 SHALL BE DEPOSITED IN THE ANNUITY BOND FUND AND APPLIED TO THE DEBT
14 SERVICE REQUIREMENTS OF THE STATE.

15 (2) IF THE BOARD DETERMINES THAT THERE IS GOOD CAUSE FOR
16 RELEASING THE TRANSFEROR, TRANSFEREE, OR OWNER FROM THE OBLIGATION
17 IMPOSED UNDER THIS SUBTITLE, THE BOARD OF PUBLIC WORKS MAY WAIVE THE
18 STATE'S RIGHT OF RECOVERY UNDER THIS SUBTITLE.

19 24-1307.

20 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE
21 PROVISIONS OF THIS SUBTITLE.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2005. Section 1 of this Act shall remain effective for a period of 3 years and, at
24 the end of June 30, 2008, with no further action required by the General Assembly,
25 Section 1 of this Act shall be abrogated and of no further force and effect.