

HOUSE BILL 510

J3

EMERGENCY BILL

7lr1462

By: **Prince George's County Delegation**

Introduced and read first time: February 6, 2007

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County Hospital Authority**

3 **PG 430-07**

4 FOR the purpose of establishing the Prince George's County Hospital Authority;
5 providing for the mission of the Authority; providing that the Authority is an
6 instrumentality of the State and a public corporation; providing that the
7 exercise by the Authority of certain powers is the performance of an essential
8 public function; authorizing the Authority to take certain actions to fulfill its
9 mission; providing for the powers and duties of the Authority; providing that the
10 Authority be governed by a Board of Directors; providing for the membership of
11 the Board; specifying the terms of the initial members of the Board; providing
12 that a certain agreement may be made contingent on the receipt of certain
13 commitments; requiring the Authority to develop a certain plan; requiring the
14 Authority to submit certain information to the State Treasurer, the Secretary of
15 Health and Mental Hygiene, and certain legislative committees within a certain
16 time period; authorizing the Authority to issue revenue bonds for a certain
17 purpose; establishing the rights and duties associated with revenue bonding
18 authority; requiring Prince George's County, beginning on a certain date, to levy
19 a certain tax in a certain amount on behalf of the Authority; establishing
20 certain requirements for the tax; requiring the Authority to be subject to the
21 State Open Meetings Law; defining certain terms; requiring the Department of
22 Health and Mental Hygiene and the Department of Business and Economic
23 Development to provide certain staffing and receive certain reimbursement;
24 making this Act an emergency measure; and generally relating to the
25 establishment of the Prince George's County Hospital Authority.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Health – General
3 Section 24–1501 through 24–1509 to be under the new subtitle “Subtitle 15.
4 Prince George’s County Hospital Authority”
5 Annotated Code of Maryland
6 (2005 Replacement Volume and 2006 Supplement)

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

9 **Article – Health – General**

10 **SUBTITLE 15. PRINCE GEORGE’S COUNTY HOSPITAL AUTHORITY.**

11 **24–1501.**

12 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (B) “AUTHORITY” MEANS THE PRINCE GEORGE’S COUNTY HOSPITAL
15 AUTHORITY.

16 (C) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.

17 (D) “DIMENSIONS” MEANS DIMENSIONS HEALTHCARE SYSTEM, INC.,
18 OR ANY SUCCESSORS OR ASSIGNS OF DIMENSIONS HEALTHCARE SYSTEM, INC.

19 **24–1502.**

20 (A) THERE IS A BODY CORPORATE AND POLITIC KNOWN AS THE PRINCE
21 GEORGE’S COUNTY HOSPITAL AUTHORITY.

22 (B) THE MISSION OF THE AUTHORITY IS TO:

23 (1) DEVELOP A LONG-TERM STRATEGY FOR DELIVERING
24 HOSPITAL SERVICES AND RELATED HEALTH CARE IN PRINCE GEORGE’S
25 COUNTY; AND

1 (2) PUT IN PLACE ORGANIZATIONAL AND OPERATING
2 STRUCTURES THAT ARE:

3 (I) SELF-SUSTAINING; AND

4 (II) CONSISTENT WITH THE LONG-TERM STRATEGY,
5 CAPABLE OF:

6 1. PROVIDING HIGH QUALITY HEALTH CARE TO ALL
7 PRINCE GEORGE'S COUNTY RESIDENTS; AND

8 2. MEETING THE SHORT-TERM AND LONG-TERM
9 HEALTH CARE NEEDS OF PRINCE GEORGE'S COUNTY RESIDENTS.

10 (C) THE AUTHORITY IS AN INSTRUMENTALITY OF THE STATE AND A
11 PUBLIC CORPORATION BY THAT NAME, STYLE, AND TITLE.

12 (D) THE EXERCISE BY THE AUTHORITY OF THE POWERS CONFERRED BY
13 THIS SUBTITLE IS THE PERFORMANCE OF AN ESSENTIAL PUBLIC FUNCTION.

14 (E) TO FULFILL ITS MISSION, THE AUTHORITY MAY:

15 (1) ACQUIRE ANY HEALTH CARE FACILITIES AND LEASEHOLD
16 RIGHTS HELD OR OPERATED BY DIMENSIONS;

17 (2) TRANSFER HEALTH CARE FACILITIES AND LEASEHOLD
18 RIGHTS HELD OR OPERATED BY DIMENSIONS TO ANOTHER HEALTH CARE
19 ENTITY; AND

20 (3) ENGAGE IN NEW HEALTH CARE ACTIVITIES CONSISTENT WITH
21 THE MISSION.

22 **24-1503.**

23 (A) (1) THE AUTHORITY SHALL BE GOVERNED BY A BOARD OF
24 DIRECTORS.

25 (2) THE BOARD SHALL CONSIST OF FIVE MEMBERS APPOINTED
26 BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

1 **(3) OF THE FIVE MEMBERS, AT LEAST THREE SHALL LIVE IN**
2 **PRINCE GEORGE'S COUNTY.**

3 **(4) THE GOVERNOR SHALL DESIGNATE A MEMBER TO SERVE AS**
4 **THE CHAIR OF THE BOARD.**

5 **(B) (1) THE TERM OF A MEMBER IS 3 YEARS.**

6 **(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY**
7 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 2007.**

8 **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
9 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

10 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
11 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
12 **APPOINTED AND QUALIFIES.**

13 **(5) THE GOVERNOR MAY REMOVE A MEMBER FOR NEGLECT OF**
14 **DUTY, INCOMPETENCE, OR MISCONDUCT.**

15 **(C) A MEMBER MAY NOT HAVE A FINANCIAL INTEREST IN:**

16 **(1) DIMENSIONS;**

17 **(2) ANY ENTITY AFFILIATED WITH DIMENSIONS; OR**

18 **(3) ANY ENTITY WITH WHICH THE AUTHORITY DOES BUSINESS OR**
19 **HAS A FINANCIAL OR LEGAL RELATIONSHIP.**

20 **24-1504.**

21 **(A) THE AUTHORITY SHALL ENTER INTO NEGOTIATIONS WITH**
22 **DIMENSIONS FOR THE PURPOSE OF:**

23 **(1) ACQUIRING TITLE AND RIGHTS TO ANY PROPERTY,**
24 **LEASEHOLD RIGHTS, AND OPERATING RIGHTS HELD BY DIMENSIONS; AND**

1 (2) ASSUMING CERTAIN LIABILITIES HELD BY DIMENSIONS,
2 INCLUDING BOND INDEBTEDNESS AND PENSION LIABILITY.

3 (B) THE AUTHORITY MAY MAKE AN ACQUISITION OR ASSUMPTION OF
4 LIABILITIES AUTHORIZED IN SUBSECTION (A) OF THIS SECTION CONTINGENT
5 ON:

6 (1) RECEIVING COMMITMENTS FOR SPECIFIC FINANCIAL AID AND
7 ASSISTANCE, INCLUDING LONG-TERM CAPITAL FINANCING OR OPERATING
8 ASSISTANCE, FROM THE STATE OR COUNTY GOVERNMENT OR ELSEWHERE; OR

9 (2) THE SUCCESSFUL COMPLETION OF AGREEMENTS TO
10 TRANSFER TITLE AND CONTROL OVER FACILITIES OR OPERATIONS, IN WHOLE
11 OR IN PART, TO ANOTHER ENTITY.

12 (C) (1) THE AUTHORITY MAY OPERATE OR MANAGE ANY FACILITIES
13 AND INTERESTS ACQUIRED UNTIL THE FACILITIES AND INTERESTS ARE
14 TRANSFERRED TO ANOTHER ENTITY.

15 (2) WHILE THE AUTHORITY IS OPERATING OR MANAGING
16 FACILITIES AND INTERESTS ACQUIRED, THE AUTHORITY MAY:

17 (I) HIRE STAFF AND ENTER INTO BUSINESS
18 ARRANGEMENTS NECESSARY TO THE EFFICIENT AND PROPER MANAGEMENT
19 AND OPERATION OF THE FACILITIES; AND

20 (II) ENTER INTO SHORT-TERM AND LONG-TERM
21 ARRANGEMENTS FOR THE MANAGEMENT OR SATISFACTION OF ANY
22 INDEBTEDNESS OR THE FUNDING OF ANY LONG-TERM LIABILITIES CURRENTLY
23 OWED BY DIMENSIONS OR ITS AFFILIATES RELATED TO HEALTH CARE
24 FACILITIES IN PRINCE GEORGE'S COUNTY.

25 (D) THE AUTHORITY SHALL ENTER INTO NEGOTIATIONS WITH PRINCE
26 GEORGE'S COUNTY TO ACQUIRE LEGAL TITLE TO ANY FACILITIES UNDER THE
27 CONTROL OR OCCUPIED BY DIMENSIONS OR USEFUL TO THE EFFICIENT
28 OPERATION OF ANY FACILITIES THE AUTHORITY MAY HAVE ACQUIRED.

29 24-1505.

1 (A) CONSISTENT WITH ITS MISSION, THE AUTHORITY SHALL ACTIVELY
2 APPROACH AND ENTER INTO NEGOTIATIONS WITH OTHER ENTITIES, INCLUDING
3 FOR-PROFIT AND NONPROFIT ENTITIES PROVIDING HEALTH CARE SERVICES
4 INSIDE OR OUTSIDE THE STATE, FOR THE SALE OR TRANSFER OF ANY AND ALL
5 FACILITIES, RIGHTS, OR OPERATIONS THE AUTHORITY MAY HAVE ACQUIRED.

6 (B) THE AUTHORITY MAY ENTER INTO NEGOTIATIONS WITH OTHER
7 ENTITIES, AS PROVIDED IN SUBSECTION (A) OF THIS SECTION, ON A
8 CONTINGENT BASIS AND BEFORE THE AUTHORITY ACQUIRES OWNERSHIP OR
9 CONTROL OVER ANY FACILITIES.

10 (C) ANY AGREEMENT FOR THE SALE OR TRANSFER OF FACILITIES,
11 RIGHTS, OR OPERATIONS MAY BE MADE CONTINGENT ON THE RECEIPT OF
12 SPECIFIC COMMITMENTS FROM THE STATE, PRINCE GEORGE'S COUNTY, OR A
13 RELATED REGULATORY AGENCY.

14 (D) AS PART OF ANY TRANSFER OF INTEREST OR TITLE, THE
15 AUTHORITY SHALL DEVELOP A PLAN FOR THE SATISFACTION OF ANY
16 INDEBTEDNESS OR LIABILITY HELD BY DIMENSIONS AS OF JANUARY 1, 2007.

17 (E) THE AUTHORITY SHALL SUBMIT INFORMATION ON THE TERMS OF
18 ANY SALE OR TRANSFER TO THE SECRETARY, THE STATE TREASURER, THE
19 SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE FINANCE
20 COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE
21 HEALTH AND GOVERNMENT OPERATIONS COMMITTEE AT LEAST 60 DAYS
22 BEFORE THE AUTHORITY COMPLETES THE TRANSFER OF ANY PROPERTY
23 OWNERSHIP OR LEASEHOLD INTEREST.

24 **24-1506.**

25 IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE,
26 THE AUTHORITY MAY:

27 (1) ADOPT AND ALTER AN OFFICIAL SEAL;

28 (2) SUE AND BE SUED, PLEAD AND BE IMPEADED;

29 (3) ADOPT BYLAWS, RULES, AND REGULATIONS TO CARRY OUT
30 THE PROVISIONS OF THIS SUBTITLE;

1 (4) **MAINTAIN AN OFFICE AT THE PLACE DESIGNATED BY THE**
2 **AUTHORITY;**

3 (5) **EMPLOY OR RETAIN ANY PERSONNEL THAT THE AUTHORITY**
4 **DETERMINES TO BE NECESSARY AND FIX THEIR COMPENSATION;**

5 (6) **ENTER INTO ANY AGREEMENTS NECESSARY TO MANAGE ITS**
6 **OWN AFFAIRS;**

7 (7) **ACQUIRE PROPERTY AND RIGHTS, INCLUDING, SUBJECT TO**
8 **APPLICABLE LAW AND REGULATION, THE RIGHT TO CONSTRUCT, LEASE, OR**
9 **OPERATE ADDITIONAL HEALTH CARE FACILITIES AS MAY BE NECESSARY AND**
10 **APPROPRIATE TO THE FULFILLMENT OF THE MISSION OF THE AUTHORITY;**

11 (8) **APPLY FOR AND RECEIVE FUNDING FROM STATE, LOCAL, AND**
12 **NATIONAL GOVERNMENTAL ENTITIES; AND**

13 (9) **ENTER INTO SHORT-TERM AND LONG-TERM FINANCIAL**
14 **ARRANGEMENTS, INCLUDING ISSUANCE OF DEBT AS PROVIDED IN § 24-1507 OF**
15 **THIS SUBTITLE, AS NECESSARY TO FULFILL THE MISSION OF THE AUTHORITY.**

16 **24-1507.**

17 (A) **THE AUTHORITY MAY ISSUE REVENUE BONDS, IN ACCORDANCE**
18 **WITH TITLE 8, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT**
19 **ARTICLE, FOR THE PURPOSE OF FULFILLING THE MISSION OF THE AUTHORITY**
20 **UNDER § 24-1502 OF THIS SUBTITLE.**

21 (B) **REVENUE BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE**
22 **AUTHORITY AND MAY BE ISSUED AS FIXED OR VARIABLE RATE BONDS.**

23 (C) **THE RESOLUTION OF THE AUTHORITY AUTHORIZING THE REVENUE**
24 **BONDS:**

25 (1) **SHALL DESCRIBE THE PROJECTS WHICH ARE TO BE**
26 **FINANCED OR REFINANCED BY THE BOND;**

1 (2) SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE
2 BOND;

3 (3) SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE BONDS;

4 (4) MAY PROVIDE THAT THE BONDS MAY BE SUBJECT TO EARLY
5 REDEMPTION AS DETERMINED BY THE AUTHORITY; AND

6 (5) SHALL PROVIDE THAT THE PROCEEDS OF THE BONDS SHALL
7 BE INVESTED IN ACCORDANCE WITH § 6-222 OF THE STATE FINANCE AND
8 PROCUREMENT ARTICLE.

9 (D) THE REVENUE BONDS SHALL BE SOLD IN THE MANNER AND ON THE
10 TERMS DETERMINED BY THE AUTHORITY AND, NOTWITHSTANDING § 8-206(B)
11 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, MAY BE SOLD AT A
12 PRIVATE OR NEGOTIATED SALE.

13 (E) REVENUE BONDS MAY BE ISSUED UNDER THE PROVISIONS OF THIS
14 SUBTITLE:

15 (1) WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT,
16 DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE; OR

17 (2) WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE
18 OF ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS
19 THAT ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.

20 (F) (1) ANY REVENUE BOND ISSUED UNDER THIS SUBTITLE SHALL
21 STATE ON ITS FACE THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY
22 INDEBTEDNESS OR OBLIGATION OF THE STATE OR OF ANY POLITICAL
23 SUBDIVISION OF THE STATE.

24 (2) THE REVENUE BONDS ISSUED UNDER THIS SUBTITLE DO NOT
25 CONSTITUTE A DEBT OR OBLIGATION CONTRACTED BY THE STATE OR PLEDGE
26 THE FAITH AND CREDIT OF THE STATE WITHIN THE MEANING OF ARTICLE III, §
27 34 OF THE MARYLAND CONSTITUTION.

28 (3) NEITHER THE REVENUE BONDS NOR THE INTEREST ON THE
29 BONDS SHALL EVER CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST

1 THE GENERAL CREDIT OR TAXING POWERS OF ANY PUBLIC BODY WITHIN THE
2 MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY
3 LIMITATION AND NEITHER SHALL EVER CONSTITUTE OR GIVE RISE TO ANY
4 PECUNIARY LIABILITY OF ANY ISSUING PUBLIC BODY.

5 (4) EACH REVENUE BOND, ON ITS FACE, MAY PLAINLY STATE
6 THAT IT HAS BEEN ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE AND
7 THAT IT DOES NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND
8 CREDIT OF ANY PUBLIC BODY IS PLEDGED.

9 (G) THE REVENUE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND
10 SECURED SOLELY BY:

11 (1) ALL OR ANY PART OF THE FEES OR REVENUES GENERATED BY
12 AN ACTIVITY OF THE AUTHORITY TO THE EXTENT LAWFULLY AVAILABLE FOR
13 SUCH PURPOSE;

14 (2) LOCAL TAXES LEVIED ON BEHALF OF THE AUTHORITY;

15 (3) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS
16 THEREON;

17 (4) ANY GRANT OR GIFT RECEIVED BY THE AUTHORITY TO THE
18 EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE;

19 (5) RESERVES OR OTHER FUNDS ESTABLISHED FOR THE BONDS
20 UNDER THE RESOLUTION OR TRUST AGREEMENT;

21 (6) ANY MONEYS WHICH MAY LAWFULLY BE APPLIED TO THE
22 PAYMENT OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY
23 APPROPRIATION BY THE STATE OR PRINCE GEORGE'S COUNTY MADE
24 LAWFULLY AVAILABLE FOR SUCH PURPOSE; OR

25 (7) ANY SOURCE OF FUNDS TO WHICH THE AUTHORITY HAS
26 ACCESS TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE.

27 (H) ALL REVENUE BONDS ISSUED UNDER THE PROVISIONS OF THIS
28 SUBTITLE SHALL HAVE ALL THE QUALITIES AND INCIDENTS OF NEGOTIABLE

1 INSTRUMENTS UNDER THE LAWS OF THE STATE RELATING TO NEGOTIABLE
2 INSTRUMENTS.

3 **24-1508.**

4 (A) BEGINNING ON JANUARY 1, 2008, PRINCE GEORGE'S COUNTY
5 SHALL LEVY, ON BEHALF OF THE AUTHORITY, A SUPPLEMENTAL COUNTY TAX
6 ON REAL PROPERTY EACH YEAR IN AN AMOUNT SUFFICIENT TO:

7 (1) RETIRE ANY LONG-TERM BOND INDEBTEDNESS HELD BY
8 DIMENSIONS AS OF JANUARY 1, 2007;

9 (2) SATISFY ANY LONG-TERM PENSION LIABILITY OBLIGATED BY
10 DIMENSIONS AS OF JANUARY 1, 2007; AND

11 (3) SATISFY ANY DEBT ACQUIRED FOR THE PURCHASE OF
12 PROPERTY, FACILITIES, OR OTHER INTERESTS FROM PRINCE GEORGE'S
13 COUNTY.

14 (B) THE TAX LEVIED BY PRINCE GEORGE'S COUNTY ON BEHALF OF THE
15 AUTHORITY SHALL BE REMITTED TO THE AUTHORITY EVERY 60 DAYS.

16 (C) THE TAX AUTHORIZED UNDER THIS SECTION:

17 (1) IS SUBJECT TO ANY PROPERTY TAX LIMITATION IMPOSED ON
18 PRINCE GEORGE'S COUNTY BY CHARTER OR LAW; AND

19 (2) IS NOT SUBJECT TO POPULAR VOTE OR REFERENDUM UNDER
20 THE TERMS OF ANY PROVISION OF THE CHARTER FOR PRINCE GEORGE'S
21 COUNTY.

22 **24-1509.**

23 THE AUTHORITY SHALL BE SUBJECT TO THE STATE OPEN MEETINGS
24 LAW.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
26 members of the Board of the Prince George's County Hospital Authority shall expire
27 as follows:

- (1) two members in 2009;
- (2) two members in 2010; and
- (3) one member in 2011.

SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene and the Department of Business and Economic Development shall provide initial staffing for the Prince George's County Hospital Authority, until the Authority hires or retains staff of its own. The Authority shall reimburse the Departments for the cost of the initial staffing.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.