

SENATE BILL 158

J1, B5

9lr1550
CF HB 332

By: **Senator Guzzone**

Introduced and read first time: January 21, 2019

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2019

CHAPTER _____

1 AN ACT concerning

2 **Maryland Department of Health – Community Dental Clinics Grant Program**

3 FOR the purpose of establishing the Community Dental Clinics Grant Program;
4 authorizing the Board of Public Works, on the recommendation of the Secretary of
5 Health, to make grants under the Program to counties, municipal corporations, and
6 nonprofit organizations for the purpose of supporting the provision of dental services
7 by community dental clinics through certain actions; providing for the application
8 process for a State grant under the Program; providing certain terms, conditions,
9 and limitations on the allocations, use, and amount of State grants made under the
10 Program; prohibiting any portion of the proceeds of a grant made under the Program
11 from being used for certain religious purposes; requiring the Governor to include
12 funding in the State operating budget bill or capital budget bill for the Program
13 beginning in a certain fiscal year; requiring the Board to make certain allocations
14 from certain funds in accordance with this Act; requiring the Board to make certain
15 certifications; requiring the State Treasurer to make certain payments; authorizing
16 the Board to adopt certain regulations; authorizing the State, under certain
17 circumstances, to recover a certain portion of the State funds expended; providing
18 for a certain judicial proceeding and liens to enforce the State's right of recovery and
19 priority of the proceeding and lien; requiring the Maryland Department of Health to
20 adopt certain regulations; defining certain terms; and generally relating to the
21 Community Dental Clinics Grant Program.

22 BY adding to

23 Article – Health – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 24–1601 through 24–1607 to be under the new subtitle “Subtitle 16.
2 Community Dental Clinics Grant Program”
3 Annotated Code of Maryland
4 (2015 Replacement Volume and 2018 Supplement)

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

7 **Article – Health – General**

8 **SUBTITLE 16. COMMUNITY DENTAL CLINICS GRANT PROGRAM.**

9 **24–1601.**

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) (1) “COMMUNITY DENTAL CLINIC” MEANS A NONPROFIT
13 ORGANIZATION THAT PROVIDES DENTAL SERVICES AND IS:

14 (I) A HEALTH CARE CENTER OR PROGRAM THAT OFFERS
15 DENTAL SERVICES:

16 1. FREE OF COST OR ON A SLIDING SCALE FEE
17 SCHEDULE; AND

18 2. WITHOUT REGARD TO AN INDIVIDUAL’S ABILITY TO
19 PAY; AND

20 (II) WHOLLY OWNED AND OPERATED UNDER THE AUTHORITY
21 OF A COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION.

22 (2) “COMMUNITY DENTAL CLINIC” DOES NOT INCLUDE A FEDERALLY
23 QUALIFIED HEALTH CENTER OR A FEDERALLY QUALIFIED HEALTH CENTER
24 LOOK-ALIKE.

25 (C) “NONPROFIT ORGANIZATION” MEANS:

26 (1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE
27 EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR
28 ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY, THE
29 PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A
30 FACILITY; OR

31 (2) AN ORGANIZATION:

1 **(I) THAT IS CHARTERED AS A NONPROFIT CORPORATION AND**
2 **CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS NONPROFIT; AND**

3 **(II) NO PART OF THE EARNINGS OF WHICH INURES TO THE**
4 **BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE**
5 **MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO**
6 **BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY.**

7 **(D) "WHOLLY OWNED" INCLUDES LEASED, IF:**

8 **(1) (I) THE LEASE IS FOR A MINIMUM TERM OF 15 YEARS**
9 **FOLLOWING PROJECT COMPLETION; OR**

10 **(II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF**
11 **PURCHASE TO THE LESSEE; AND**

12 **(2) THE LESSOR CONSENTS TO THE RECORDING, IN THE LAND**
13 **RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE FACILITY IS LOCATED,**
14 **OF A NOTICE OF THE STATE'S RIGHT OF RECOVERY AS PROVIDED UNDER § 24-1606**
15 **OF THIS SUBTITLE.**

16 **24-1602.**

17 **(A) THERE IS A COMMUNITY DENTAL CLINICS GRANT PROGRAM.**

18 **(B) ON THE RECOMMENDATION OF THE SECRETARY, THE BOARD OF**
19 **PUBLIC WORKS MAY MAKE GRANTS TO COUNTIES, MUNICIPAL CORPORATIONS, AND**
20 **NONPROFIT ORGANIZATIONS FOR THE PURPOSE OF SUPPORTING THE PROVISION**
21 **OF DENTAL SERVICES BY COMMUNITY DENTAL CLINICS THROUGH:**

22 **(1) THE CONVERSION OF PUBLIC BUILDINGS OR PARTS OF PUBLIC**
23 **BUILDINGS TO COMMUNITY DENTAL CLINICS;**

24 **(2) THE ACQUISITION OF EXISTING BUILDINGS OR PARTS OF**
25 **BUILDINGS FOR USE AS COMMUNITY DENTAL CLINICS;**

26 **(3) THE RENOVATION OF COMMUNITY DENTAL CLINICS;**

27 **(4) THE PURCHASE OF CAPITAL EQUIPMENT FOR COMMUNITY**
28 **DENTAL CLINICS; OR**

29 **(5) THE PLANNING, DESIGN, AND CONSTRUCTION OF COMMUNITY**
30 **DENTAL CLINICS.**

1 **24-1603.**

2 (A) ANY COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT
3 ORGANIZATION SPONSORING A PROJECT INVOLVING WORK SPECIFIED IN § 24-1602
4 OF THIS SUBTITLE MAY APPLY TO THE SECRETARY FOR A STATE GRANT TO BE
5 APPLIED TOWARD THE COST OF THAT PROJECT.

6 (B) THE APPLICATION FOR A GRANT SHALL INCLUDE:

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

8 (2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE
9 EMPLOYED AT THE COMMUNITY DENTAL CLINIC, INCLUDING ALL REMUNERATION
10 AND PERQUISITES FOR PERSONAL SERVICES AND ALL OTHER EXPENSES PAID OR TO
11 BE PAID TO THE PERSONNEL;

12 (3) ALL OTHER EXPENSES INCURRED OR TO BE INCURRED IN
13 OPERATING THE COMMUNITY DENTAL CLINIC; AND

14 (4) THE SCHEDULE OF RATES CHARGED OR TO BE CHARGED FOR
15 SERVICES RENDERED.

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

20 **24-1604.**

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

23 (B) STATE FUNDS MAY BE USED ONLY FOR THE PURPOSES LISTED UNDER §
24 24-1602 OF THIS SUBTITLE AND APPROVED BY THE SECRETARY UNDER § 24-1603
25 OF THIS SUBTITLE.

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

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

1 **(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**
2 **STATE GRANT MAY NOT EXCEED ~~50%~~ 75% OF THE COST OF ELIGIBLE WORK**
3 **REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED; AND**

4 **(3) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT**
5 **BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY**
6 **NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.**

7 **(D) FOR A PROJECT DESIGNATED AS ELIGIBLE FOR POVERTY AREA**
8 **FUNDING UNDER FEDERAL REGULATIONS, STATE PLANS, OR DEPARTMENTAL**
9 **REGULATIONS, A STATE GRANT MAY COVER UP TO ~~75%~~ 90% OF THE COST OF**
10 **ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN**
11 **APPLIED.**

12 **(E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF**
13 **PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION**
14 **OF:**

15 **(1) ALL ELIGIBLE PROJECTS;**

16 **(2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE**
17 **TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;**
18 **AND**

19 **(3) THE PRIORITIES OF AREA NEED ESTABLISHED BY THE**
20 **DEPARTMENT.**

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

22 **(i) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;**

23 **(ii) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR**
24 **CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN**
25 **RELIGIOUS WORSHIP OR INSTRUCTION; OR**

26 **(iii) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF**
27 **DIVINITY FOR ANY RELIGIOUS DENOMINATION.**

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

1 (G) BEGINNING IN FISCAL YEAR 2021 AND EACH FISCAL YEAR THEREAFTER,
2 THE GOVERNOR SHALL INCLUDE IN THE STATE OPERATING BUDGET BILL OR
3 CAPITAL BUDGET BILL AN APPROPRIATION ~~IN THE STATE CAPITAL BUDGET~~ TO BE
4 DISTRIBUTED AND MANAGED IN ACCORDANCE WITH THIS SUBTITLE.

5 24-1605.

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

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

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

14 24-1606.

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

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

29 (2) CEASES TO BE A COMMUNITY DENTAL CLINIC AS DEFINED IN THIS
30 SUBTITLE.

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

1 **(2) THE RECORDING OF THE NOTICE:**

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

3 **(II) SHALL CONSTITUTE NOTICE TO ANY POTENTIAL**
4 **TRANSFeree, POTENTIAL TRANSFEROR, POTENTIAL CREDITOR, OR OTHER**
5 **INTERESTED PARTY OF THE POSSIBILITY THAT THE STATE MAY OBTAIN A LIEN**
6 **UNDER THIS SUBTITLE.**

7 **(C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY**
8 **FILE A CIVIL COMPLAINT AUTHORIZED UNDER SUBSECTION ~~(B)~~ (A) OF THIS**
9 **SECTION, IN THE CIRCUIT COURT FOR THE COUNTY OR BALTIMORE CITY WHERE**
10 **THE PROPERTY IS LOCATED, AGAINST THE OWNER OF THE PROPERTY AND ANY**
11 **OTHER INTERESTED PARTIES, INCLUDING ANY TRANSFEROR THAT THE STATE**
12 **WISHES TO MAKE A PARTY.**

13 **(II) THE COMPLAINT SHALL BE FILED WITH:**

14 1. **SWORN AFFIDAVITS STATING FACTS ON WHICH THE**
15 **ALLEGATIONS OF DEFAULT ARE BASED; AND**

16 2. **A DETAILED JUSTIFICATION OF THE AMOUNT**
17 **CLAIMED.**

18 **(2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL**
19 **FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE**
20 **STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE**
21 **PROPERTY:**

22 **(I) IN THE AMOUNT OF THE STATE'S COMPLAINT PLUS ANY**
23 **ADDITIONAL AMOUNT ESTIMATED TO BE NECESSARY TO COVER THE COSTS AND**
24 **REASONABLE ATTORNEY'S FEES INCURRED BY THE STATE; OR**

25 **(II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE**
26 **REASONABLE.**

27 **(3) (I) A TEMPORARY LIEN SHALL TAKE EFFECT:**

28 1. **ON THE DATE OF THE COURT'S AUTHORIZATION, IF**
29 **THE SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF**
30 **TEMPORARY LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY**
31 **WHERE THE PROPERTY IS LOCATED WITHIN 10 DAYS AFTER THE COURT'S**
32 **AUTHORIZATION; OR**

1 (II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
2 THIS SUBPARAGRAPH, A LIEN TAKES EFFECT ON THE DATE A NOTICE OF LIEN IS
3 RECORDED.

4 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING
5 THE COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS
6 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE
7 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING
8 THE FINAL ORDER.

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

12 2. THE RECORDED NOTICE OF A LIEN SHALL
13 CONSTITUTE NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

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

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

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

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

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

33 (2) IF THE BOARD OF PUBLIC WORKS DETERMINES THAT THERE IS
34 GOOD CAUSE FOR RELEASING THE TRANSFEROR, TRANSFEREE, OR OWNER FROM

1 THE OBLIGATION IMPOSED UNDER THIS SUBTITLE, THE BOARD OF PUBLIC WORKS
2 MAY WAIVE THE STATE’S RIGHT OF RECOVERY UNDER THIS SUBTITLE.

3 24-1607.

4 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE
5 PROVISIONS OF THIS SUBTITLE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.