SENATE BILL 978

L2 EMERGENCY BILL 2lr3024
CF HB 1471

By: Senator Edwards
Introduced and read first time: February 16, 2022
Assigned to: Rules
Re-referred to: Education, Health, and Environmental Affairs, February 21, 2022
Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 4, 2022

CHAPTER _____

1 AN ACT concerning

2 Garrett County Memorial Hospital – Lease Authorization and Alterations to
3 Board of Governors

4 FOR the purpose of authorizing the County Commissioners of Garrett County and the
5 Board of Governors of the Garrett County Memorial Hospital to lease the hospital or
6 certain portions of the hospital under certain circumstances; providing for
7 alterations to the Board of Governors under certain circumstances; and generally
8 relating to the Garrett County Memorial Hospital.

9 BY repealing and reenacting, without amendments,
10 The Public Local Laws of Garrett County
11 Section 36.03
12 Article 12 – Public Local Laws of Maryland
13 (2005 Edition and 2018 Supplement, as amended)

15 BY adding to
16 The Public Local Laws of Garrett County
17 Section 36.10
18 Article 12 – Public Local Laws of Maryland
19 (2005 Edition and 2018 Supplement, as amended)

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

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.
Article 12 – Garrett County

36.03. 

(A) For the purpose of operating the Garrett County Memorial Hospital, there is a Board of Governors, which shall consist of 15 members as follows:

(1) The 3 County Commissioners of Garrett County or their designees. If a County Commissioner appoints a designee to the Board of Governors, the designee is not subject to approval by the remaining Board members, but is subject to removal under division (E) of this section.

(2) Three persons residing in Garrett County, 1 to be appointed by each of the County Commissioners. Each appointment under this division is subject to approval by majority vote of the Board of Governors at a meeting consisting of a quorum.

(3) The President of the Town Council of the Town of Oakland or the President’s designee. If the President appoints a designee to the Board of Governors, the designee is not subject to approval by the remaining Board members, but is subject to removal under division (E) of this section.

(4) One person who is on the medical staff of the Garrett County Memorial Hospital and who is elected by the medical staff. The selection under this division is subject to approval by majority vote of the Board of Governors at a meeting consisting of a quorum.

(5) Seven at-large members who are selected for their talents, abilities and interest in the affairs of the hospital in accordance with the bylaws of the Board of Governors. The selection of an at-large member requires a majority of the qualified votes of the Board of Governors at a meeting consisting of a quorum. An at-large member may not vote for oneself, for a person who would replace the at-large member or for a person who would replace another at-large member whose term expires at the same time as the at-large member. The election of an at-large member requires at least 3 affirmative votes.

(B) The terms of members of the Board of Governors shall be as follows:

(1) The terms of the County Commissioners and the term of the President of the Town Council of Oakland, as ex officio members, shall be coextensive with their respective terms of office.

(2) The term of a designee of a County Commissioner or of the President of the Town Council and the terms of members appointed by the County Commissioners is 2 years or until the current term of the elected official or officials who selected the member ends, whichever occurs first.

(3) The term of the medical staff member is 2 years.
The term of an at-large member is 2 years. The terms of at-large members shall be staggered so that 3 at-large members are elected 1 year and 2 at-large members are elected the following year.

(C) Terms extended:

(1) This division only applies if the term of a member appointed by the County Commissioners or of a designee of a County Commissioner or of the President of the Town Council or the term of the medical staff member ends and a replacement member is not selected.

(2) By majority vote of the Board of Governors at a meeting consisting of a quorum, a member's term may be extended until a replacement member is selected in accordance with division (A) of this section or the Board of Governors selects a replacement member under division (F) of this section.

(D) The Board of Governors shall be and is made and constituted a body politic and corporate by the name and style of the Board of Governors of the Garrett County Memorial Hospital and by that name shall have perpetual succession. Subject to § 36.08, the Board of Governors may sue and be sued. The Board of Governors may have a common seal, and alter the same, at its pleasure. The Board of Governors shall have all the powers herein granted it and all such other powers as shall be proper and necessary to operate and manage the hospital and/or a public general hospital, or other health and health–care–related entities and health–care–related functions, as fully as if incorporated for such purposes under the provisions of the Public General Laws of Maryland.

(E) Removal of members:

(1) This division does not authorize the removal of a County Commissioner or of the President of the Town Council, serving as ex officio members of the Board of Governors.

(2) The Board of Governors shall have the power, by majority vote of all the members of the Board, to remove a member from the Board for cause, including the failure to satisfy any attendance requirement established in the bylaws. Removal of a member may only occur at a regular meeting, after not less than 1 week’s notice to the member.

(F) The Board of Governors may fill a vacancy on the Board caused by expiration of a term, death, resignation, expulsion or, for a member whose residence in Garrett County is a membership qualification for the Board, removal from the county if the proper selecting body fails to fill the vacancy within 30 days. A vacancy may be filled for the remainder of the term by a majority vote of the Board of Governors at a meeting consisting of a quorum.

(G) The Board of Governors shall elect from among its members a Chairperson and Vice Chairperson. The Board shall also elect a Secretary/Treasurer and such other
officers as it may determine. The Board shall meet at least 6 times a year and such other times as it shall determine or when called by the Chairperson.

36.10.

(A) (1) Notwithstanding any provision of this chapter, the County Commissioners and the Board of Governors may lease the Garrett County Memorial Hospital, or any portion thereof, and transfer assets incidental to the lease in accordance with terms determined by the County Commissioners and the Board of Governors.

(2) If the County Commissioners and the Board of Governors lease the Garrett County Memorial Hospital, or any portion thereof, in accordance with this division:

(I) The Board of Governors shall:

1. Continue in existence as provided in Division (B) of this section;

2. Under the lease, hold title to the assets owned by the Hospital which are to be leased, as co-lessor with the County Commissioners; and

3. Continue in existence as a body politic and corporate, to enforce its rights and obligations under the lease and to resume operation of the Hospital if a termination of the lease results in a reversion of the Hospital operations and assets back to the County Commissioners and the Board of Governors; and

(II) The County Commissioners shall continue to:

1. Hold title to the real property owned by it and used for the purpose of the Hospital; and

2. Enforce their rights and obligations under the lease.

(3) The County Commissioners and the Board of Governors may take any further actions necessary to fully perform under a lease, including:

(i) Executing all applicable documents and transactions necessary to lease the real estate and existing facilities;
(II) Transferring title to or possession of tangible property and intangible property;

(III) Participating in any applicable regulatory process; and

(IV) Making arrangements for a disposition of the hospital consistent with the terms of a lease.

(B) (1) Notwithstanding § 36.03 of this chapter, if the County Commissioners and the Board of Governors lease the Garrett County Memorial Hospital, or any portion thereof, in accordance with this section, the Board of Governors shall be reduced in number to consist of three persons residing in Garrett County, one to be appointed by each of the County Commissioners.

(2) The Board of Governors shall meet at least once each year and at other times as it shall determine or when called by the Chairperson.

(3) The County Commissioners shall select the members of the Board of Governors under this division for their talents, abilities, and interest in the affairs of the Garrett County Memorial Hospital.

(4) A member of the Board of Governors under this division may not serve on the Board of Directors of the lessee.

(5) The term of a member appointed by the County Commissioners under this division is 2 years or until the current term of the elected official or officials who selected the member ends, whichever occurs first.

(6) The Board of Governors shall elect from among its members a Chairperson, a Vice Chairperson, and a Secretary/Treasurer.

(7) The Board of Governors may remove a member or fill a vacancy on the Board in accordance with § 36.03(E) and (F) of this chapter.

(8) The County Commissioners, by resolution, shall adopt procedures for the transition of the membership and duties of the Board of Governors necessitated by the entering into, or termination of, a lease under this section.
(C) IN ANY LEASE AUTHORIZED BY THIS SECTION, TRANSFERS OF TITLE TO
OR POSSESSION OF REAL ESTATE, TANGIBLE PROPERTY, OR INTANGIBLE PROPERTY
OWNED BY THE COUNTY COMMISSIONERS OR THE BOARD OF GOVERNORS AND
USED IN THE OPERATION OF THE HOSPITAL, INCLUDING MEMBERSHIP OR EQUITY
INTERESTS IN SUBSIDIARY OR AFFILIATED ENTITIES, ARE AUTHORIZED AND
EXEMPT FROM PUBLIC BIDDING REQUIREMENTS UNDER § 30.21 OF THIS ARTICLE.

SECTION 2. 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.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.