

# HOUSE BILL 599

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By: **Delegates Hill and Smith**

Introduced and read first time: January 28, 2026

Assigned to: Health

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health – Licensure of Hospitals – Ownership Requirements**

3 FOR the purpose of requiring that hospitals, to qualify for a license on or after a certain  
4 date, qualify as a nonprofit organization under federal law and be registered as a  
5 nonprofit organization with the State; requiring hospitals that receive licensure on  
6 or after a certain date to maintain status as a nonprofit organization as a condition  
7 of licensure; providing that, on or after a certain date, the ownership of a licensed  
8 hospital may be transferred only to a nonprofit organization; and generally relating  
9 to the licensure of hospitals.

10 BY repealing and reenacting, without amendments,  
11 Article – Health – General  
12 Section 19–319(a)  
13 Annotated Code of Maryland  
14 (2023 Replacement Volume and 2025 Supplement)

15 BY adding to  
16 Article – Health – General  
17 Section 19–319(k)  
18 Annotated Code of Maryland  
19 (2023 Replacement Volume and 2025 Supplement)

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

22 **Article – Health – General**

23 19–319.

24 (a) To qualify for a license, an applicant and the hospital or related institution to  
25 be operated shall meet the requirements of this section.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(K) (1) (I) TO QUALIFY FOR A LICENSE ON OR AFTER OCTOBER 1,**  
2 **2026, THE HOSPITAL TO BE OPERATED SHALL QUALIFY AS A NONPROFIT**  
3 **ORGANIZATION UNDER FEDERAL LAW AND BE REGISTERED AS A NONPROFIT**  
4 **ORGANIZATION WITH THE STATE.**

5                       **(II) A HOSPITAL THAT RECEIVES LICENSURE ON OR AFTER**  
6 **OCTOBER 1, 2026, SHALL MAINTAIN STATUS AS A NONPROFIT ORGANIZATION AS A**  
7 **CONDITION OF LICENSURE.**

8           **(2) ON OR AFTER OCTOBER 1, 2026, THE OWNERSHIP OF A LICENSED**  
9 **HOSPITAL MAY BE TRANSFERRED ONLY TO A NONPROFIT ORGANIZATION.**

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2026.