

HOUSE BILL 241

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B2

2004 Regular Session  
4r1030  
CF 4r0915

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By: **Delegates Madaleno, Hurson, Gutierrez, Barkley, Dumais, Hixson,  
Menes, Ramirez, Cryor, Franchot, Goldwater, Heller, Hubbard, Kaiser,  
Lee, Mandel, and Taylor**

Introduced and read first time: January 23, 2004

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Holy Cross Health**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,522,000,  
4 the proceeds to be used as a grant to the Board of Directors of Holy Cross  
5 Health, Inc. for certain development or improvement purposes; providing for  
6 disbursement of the loan proceeds, subject to a requirement that the grantee  
7 provide and expend a matching fund; establishing a deadline for the  
8 encumbrance or expenditure of the loan proceeds; prohibiting the use of the loan  
9 or the matching fund for sectarian religious purposes; and providing generally  
10 for the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Holy Cross  
15 Health Loan of 2004 in a total principal amount equal to the lesser of (i) \$1,522,000 or  
16 (ii) the amount of the matching fund provided in accordance with Section 1(5) below.  
17 This loan shall be evidenced by the issuance, sale, and delivery of State general  
18 obligation bonds authorized by a resolution of the Board of Public Works and issued,  
19 sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance  
20 and Procurement Article and Article 31, § 22 of the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as  
22 a single issue or may be consolidated and sold as part of a single issue of bonds under  
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
25 and first shall be applied to the payment of the expenses of issuing, selling, and  
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
27 shall be credited on the books of the Comptroller and expended, on approval by the  
28 Board of Public Works, for the following public purposes, including any applicable  
29 architects' and engineers' fees: as a grant to the Board of Directors of Holy Cross  
30 Health, Inc. (referred to hereafter in this Act as "the grantee") for the planning,

1 design, renovation, expansion, repair, construction, and capital equipping of existing  
2 space to expand and improve the labor and delivery and neonatal intensive care  
3 areas, located in Silver Spring.

4 (4) An annual State tax is imposed on all assessable property in the State in  
5 rate and amount sufficient to pay the principal of and interest on the bonds as and  
6 when due and until paid in full. The principal shall be discharged within 15 years  
7 after the date of issuance of the bonds.

8 (5) Prior to the payment of any funds under the provisions of this Act for the  
9 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
10 matching fund. No part of the grantee's matching fund may be provided, either  
11 directly or indirectly, from funds of the State, whether appropriated or  
12 unappropriated. No part of the fund may consist of real property or in kind  
13 contributions. The fund may consist of funds expended prior to the effective date of  
14 this Act. In case of any dispute as to the amount of the matching fund or what money  
15 or assets may qualify as matching funds, the Board of Public Works shall determine  
16 the matter and the Board's decision is final. The grantee has until June 1, 2006, to  
17 present evidence satisfactory to the Board of Public Works that a matching fund will  
18 be provided. If satisfactory evidence is presented, the Board shall certify this fact and  
19 the amount of the matching fund to the State Treasurer, and the proceeds of the loan  
20 equal to the amount of the matching fund shall be expended for the purposes provided  
21 in this Act. Any amount of the loan in excess of the amount of the matching fund  
22 certified by the Board of Public Works shall be canceled and be of no further effect.

23 (6) The proceeds of the loan must be expended or encumbered by the Board of  
24 Public Works for the purposes provided in this Act no later than June 1, 2011. If any  
25 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,  
26 the amount of the unencumbered or unexpended authorization shall be canceled and  
27 be of no further effect. If bonds have been issued for the loan, the amount of  
28 unexpended or unencumbered bond proceeds shall be disposed of as provided in §  
29 8-129 of the State Finance and Procurement Article.

30 (7) No portion of the proceeds of the loan or any of the matching funds may be  
31 used for the furtherance of sectarian religious instruction, or in connection with the  
32 design, acquisition, or construction of any building used or to be used as a place of  
33 sectarian religious worship or instruction, or in connection with any program or  
34 department of divinity for any religious denomination. Upon the request of the Board  
35 of Public Works, the grantee shall submit evidence satisfactory to the Board that none  
36 of the proceeds of the loan or any matching funds have been or are being used for a  
37 purpose prohibited by this Act.

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
39 effect June 1, 2004.