

## 568F.

(a) *Loans made to any voluntary non-profit hospitals under the provisions of this subheading and with the use of funds made available by the State of Maryland shall be made on the express agreement, contract and understanding that the loans, together with interest payments thereon, are to be repaid in full to the State over a period not in excess of forty (40) years from the time the loan funds are paid out to the hospital. At such time as a loan is made pursuant to the provisions of this subheading, the applicant and the State of Maryland shall enter into a written agreement, wherein the terms and conditions of the loan shall be set forth in full, and said agreement shall be placed upon the land records of the political subdivision within which the applicant's hospital is, or is to be located, and said recorded agreement shall serve as a lien upon the property and improvements, and shall constitute notice of the obligation and its priority over any creditors who thereafter may loan funds to the said hospital or applicant. Should the applicant or the hospital thereafter cease to be a voluntary non-profit hospital, then upon the happening of that event, the full amount of the unpaid loan shall immediately become due and payable.*

(b) *A hospital which is granted a loan under the provisions of this subheading shall repay the loan with interest. The rate of interest applicable to any loan shall be established by the Board of Public Works at the time the loan funds are granted. This rate of interest shall be that rate as declared by the Board of Public Works which at that time is applicable to general credit obligations of the State then being issued, plus an additional rate of interest equal to one-eighth of one per cent.*

(c) *A loan shall not be made under this subheading or from any State funds if the amount of the loan would exceed sixty percent of the cost of the hospital facilities for which a loan is required, including equipment; and a loan shall not be made under this subheading or from any State funds if the amount of that loan, plus all other grants or loans available from the State, a political subdivision, or an agency of the Federal government, exceeds 70% of the total cost of the facilities, including equipment, for which application is made.*

## 568G.

(a) *For the purpose of this subheading and of the other provisions of this Act, the term "applicant" or "voluntary non-profit hospital" means a hospital located within this State, said hospital being, in fact, operated for general medical and surgical treatment, and maintained and operated as a non-profit institution by some non-public person, association, corporation, or other agency, or a non-profit corporation organized for the purpose of constructing or acquiring such a hospital.*

**SEC. 8. And be it further enacted, That this Act shall take effect July 1, 1964.**

Approved April 7, 1964.