

Annotated Code of Maryland
(1991 Replacement Volume and 1991 Supplement)

Preamble

WHEREAS, It is the policy of the State to promote voluntary efforts to reduce excess capacity by encouraging and assisting hospitals to close; and

WHEREAS, The General Assembly recognized the need to minimize financial disruption related to the closure of a hospital by establishing a program to appropriately retire certain bonded indebtedness of a closed or delicensed hospital issued by certain governmental bodies; and

WHEREAS, This program is necessary to preserve the access of the State's hospitals to adequate financing and the access of the State, its instrumentalities and local governments to the tax-exempt bond markets on behalf of hospitals; and

WHEREAS, Chapter 109 of the Laws of Maryland of 1985 was passed to implement these policies, among others; and

WHEREAS, It is the intent of this Act to reaffirm these policies and to clarify certain aspects of the program to provide for the payment of certain bonded indebtedness of a closed or delicensed hospital issued by certain governmental bodies;

WHEREAS, In order to encourage and assist hospitals to close it is necessary to provide a source of payment of costs of closure of a hospital in certain circumstances and to relieve certain entities associated with a closed hospital from the obligations with respect to certain bonded indebtedness of the hospital; and

WHEREAS, In order to reduce the cost of the program to provide for the bonded indebtedness of a closed or delicensed hospital as far as practicable, it is necessary to limit the application of the program in the case of indebtedness issued to finance certain facilities that are used to provide outpatient services at a location other than the hospital and indebtedness secured by certain forms of credit enhancement; and

WHEREAS, This Act and Chapter 109 of the Laws of Maryland of 1985 are an exercise of the State's police power and are in recognition of the State's plenary interest in regulating the manner in which excess hospital capacity in the State is reduced and in providing for the payment of certain obligations of a closed or delicensed hospital; now, therefore,

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