

Chapter 540

(House Bill 332)

AN ACT concerning

Maryland Department of Health – Community Dental Clinics Grant Program

FOR the purpose of establishing the Community Dental Clinics Grant Program; authorizing the Board of Public Works, on the recommendation of the Secretary of Health, to make grants under the Program to counties, municipal corporations, and nonprofit organizations for the purpose of supporting the provision of dental services by community dental clinics through certain actions; providing for the application process for a State grant under the Program; providing certain terms, conditions, and limitations on the allocations, use, and amount of State grants made under the Program; prohibiting any portion of the proceeds of a grant made under the Program from being used for certain religious purposes; requiring the Governor to include funding in the State *operating budget bill or* capital budget *bill* for the Program beginning in a certain fiscal year; requiring the Board to make certain allocations from certain funds in accordance with this Act; requiring the Board to make certain certifications; requiring the State Treasurer to make certain payments; authorizing the Board to adopt certain regulations; authorizing the State, under certain circumstances, to recover a certain portion of the State funds expended; providing for a certain judicial proceeding and liens to enforce the State's right of recovery and priority of the proceeding and lien; requiring the Maryland Department of Health to adopt certain regulations; defining certain terms; and generally relating to the Community Dental Clinics Grant Program.

BY adding to

Article – Health – General

Section 24–1601 through 24–1607 to be under the new subtitle “Subtitle 16.
Community Dental Clinics Grant Program”

Annotated Code of Maryland

(2015 Replacement Volume and 2018 Supplement)

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

Article – Health – General**SUBTITLE 16. COMMUNITY DENTAL CLINICS GRANT PROGRAM.****24–1601.**

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) “COMMUNITY DENTAL CLINIC” MEANS A NONPROFIT ORGANIZATION THAT PROVIDES DENTAL SERVICES AND IS:

(I) A HEALTH CARE CENTER OR PROGRAM THAT OFFERS DENTAL SERVICES:

1. FREE OF COST OR ON A SLIDING SCALE FEE SCHEDULE; AND

2. WITHOUT REGARD TO AN INDIVIDUAL’S ABILITY TO PAY; AND

(II) WHOLLY OWNED AND OPERATED UNDER THE AUTHORITY OF A COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION.

(2) “COMMUNITY DENTAL CLINIC” DOES NOT INCLUDE A FEDERALLY QUALIFIED HEALTH CENTER OR A FEDERALLY QUALIFIED HEALTH CENTER LOOK-ALIKE.

(C) “NONPROFIT ORGANIZATION” MEANS:

(1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE EARNINGS OF WHICH ~~INSURES~~ INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY; OR

(2) AN ORGANIZATION:

(I) THAT IS CHARTERED AS A NONPROFIT CORPORATION AND CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS NONPROFIT; AND

(II) NO PART OF THE EARNINGS OF WHICH ~~INSURES~~ INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY.

(D) “WHOLLY OWNED” INCLUDES LEASED, IF:

(1) (I) THE LEASE IS FOR A MINIMUM TERM OF 15 YEARS FOLLOWING PROJECT COMPLETION; OR

(II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE TO THE LESSEE; AND

(2) THE LESSOR CONSENTS TO THE RECORDING, IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE FACILITY IS LOCATED, OF A NOTICE OF THE STATE'S RIGHT OF RECOVERY AS PROVIDED UNDER ~~§ 24-1306~~ § 24-1606 OF THIS SUBTITLE.

24-1602.

(A) THERE IS A COMMUNITY DENTAL CLINICS GRANT PROGRAM.

(B) ON THE RECOMMENDATION OF THE SECRETARY, THE BOARD OF PUBLIC WORKS MAY MAKE GRANTS TO COUNTIES, MUNICIPAL CORPORATIONS, AND NONPROFIT ORGANIZATIONS FOR THE PURPOSE OF SUPPORTING THE PROVISION OF DENTAL SERVICES BY COMMUNITY DENTAL CLINICS THROUGH:

(1) THE CONVERSION OF PUBLIC BUILDINGS OR PARTS OF PUBLIC BUILDINGS TO COMMUNITY DENTAL CLINICS;

(2) THE ACQUISITION OF EXISTING BUILDINGS OR PARTS OF BUILDINGS FOR USE AS COMMUNITY DENTAL CLINICS;

(3) THE RENOVATION OF COMMUNITY DENTAL CLINICS;

(4) THE PURCHASE OF CAPITAL EQUIPMENT FOR COMMUNITY DENTAL CLINICS; OR

(5) THE PLANNING, DESIGN, AND CONSTRUCTION OF COMMUNITY DENTAL CLINICS.

24-1603.

(A) ANY COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION SPONSORING A PROJECT INVOLVING WORK SPECIFIED IN § 24-1602 OF THIS SUBTITLE MAY APPLY TO THE SECRETARY FOR A STATE GRANT TO BE APPLIED TOWARD THE COST OF THAT PROJECT.

(B) THE APPLICATION FOR A GRANT SHALL INCLUDE:

(1) PROJECT PLANS FOR THE WORK TO BE CARRIED OUT;

(2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE EMPLOYED AT THE COMMUNITY DENTAL CLINIC, INCLUDING ALL REMUNERATION

AND PERQUISITES FOR PERSONAL SERVICES AND ALL OTHER EXPENSES PAID OR TO BE PAID TO THE PERSONNEL;

(3) ALL OTHER EXPENSES INCURRED OR TO BE INCURRED IN OPERATING THE COMMUNITY DENTAL CLINIC; AND

(4) THE SCHEDULE OF RATES CHARGED OR TO BE CHARGED FOR SERVICES RENDERED.

(C) ON APPROVAL OF A PROJECT AND THE PROJECT PLANS, THE SECRETARY PROMPTLY SHALL REPORT THE APPLICATION TO THE BOARD OF PUBLIC WORKS, TOGETHER WITH THE SECRETARY'S RECOMMENDATION THAT THE BOARD MAKE FUNDS AVAILABLE AS PROVIDED IN THIS SUBTITLE.

24-1604.

(A) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS SECTION.

(B) STATE FUNDS MAY BE USED ONLY FOR THE PURPOSES LISTED UNDER § 24-1602 OF THIS SUBTITLE AND APPROVED BY THE SECRETARY UNDER § 24-1603 OF THIS SUBTITLE.

(C) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

(1) ANY FEDERAL OR OTHER GRANT THAT IS RECEIVED FOR AN ELIGIBLE PROJECT SHALL BE APPLIED FIRST TO THE COST OF THE PROJECT;

(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A STATE GRANT MAY NOT EXCEED ~~50%~~ 75% OF THE COST OF ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED; AND

(3) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.

(D) FOR A PROJECT DESIGNATED AS ELIGIBLE FOR POVERTY AREA FUNDING UNDER FEDERAL REGULATIONS, STATE PLANS, OR DEPARTMENTAL REGULATIONS, A STATE GRANT MAY COVER UP TO ~~75%~~ 90% OF THE COST OF ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED.

(E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION OF:

(1) ALL ELIGIBLE PROJECTS;

(2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS; AND

(3) THE PRIORITIES OF AREA NEED ESTABLISHED BY THE DEPARTMENT.

(F) (1) NO PORTION OF THE PROCEEDS OF A STATE GRANT MAY BE USED:

(I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

(II) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN RELIGIOUS WORSHIP OR INSTRUCTION; OR

(III) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF DIVINITY FOR ANY RELIGIOUS DENOMINATION.

(2) ON THE REQUEST OF THE BOARD OF PUBLIC WORKS, THE APPLICANT SHALL SUBMIT EVIDENCE SATISFACTORY TO THE BOARD THAT THE PROCEEDS OF THE GRANT ARE NOT BEING USED FOR A PURPOSE PROHIBITED UNDER THIS SUBSECTION OR UNDER APPLICABLE FEDERAL LAW.

(G) BEGINNING IN FISCAL YEAR 2021 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION IN THE STATE OPERATING BUDGET BILL OR CAPITAL BUDGET BILL TO BE DISTRIBUTED AND MANAGED IN ACCORDANCE WITH THIS SUBTITLE.

24-1605.

(A) THE BOARD OF PUBLIC WORKS SHALL MAKE ALLOCATIONS FROM FUNDS AVAILABLE UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SUBTITLE.

(B) THE BOARD OF PUBLIC WORKS SHALL CERTIFY THE ALLOCATIONS TO THE PROPER STATE OFFICERS, AND THE STATE TREASURER SHALL MAKE PAYMENTS TO OR ON BEHALF OF THE APPLICANT, WHEN NEEDED, FOR THE APPROVED PROJECT.

(C) THE BOARD OF PUBLIC WORKS MAY ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

24-1606.

(A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A COMMUNITY DENTAL CLINIC, FROM THE OWNER, AN AMOUNT BEARING THE SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT, TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEY'S FEES INCURRED BY THE STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS SUBTITLE:

(1) IS SOLD OR TRANSFERRED TO ANY PERSON, AGENCY, OR ORGANIZATION THAT WOULD NOT QUALIFY AS AN APPLICANT UNDER THIS SUBTITLE, OR THAT IS NOT APPROVED AS A TRANSFEREE BY THE BOARD OF PUBLIC WORKS; OR

(2) CEASES TO BE A COMMUNITY DENTAL CLINIC AS DEFINED IN THIS SUBTITLE.

(B) (1) BEFORE THE STATE MAKES ANY FUNDS AVAILABLE FOR AN APPROVED PROJECT, THE DEPARTMENT SHALL CAUSE A NOTICE OF THIS RIGHT OF RECOVERY TO BE RECORDED IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED.

(2) THE RECORDING OF THE NOTICE:

(I) DOES NOT CREATE A LIEN AGAINST THE PROPERTY; BUT

(II) SHALL CONSTITUTE NOTICE TO ANY POTENTIAL TRANSFEREE, POTENTIAL TRANSFEROR, POTENTIAL CREDITOR, OR OTHER INTERESTED PARTY OF THE POSSIBILITY THAT THE STATE MAY OBTAIN A LIEN UNDER THIS SUBTITLE.

(C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A CIVIL COMPLAINT AUTHORIZED UNDER SUBSECTION ~~(B)~~ (A) OF THIS SECTION, IN THE CIRCUIT COURT FOR THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST THE OWNER OF THE PROPERTY AND ANY

OTHER INTERESTED PARTIES, INCLUDING ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

(II) THE COMPLAINT SHALL BE FILED WITH:

1. SWORN AFFIDAVITS STATING FACTS ON WHICH THE ALLEGATIONS OF DEFAULT ARE BASED; AND

2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

(2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE PROPERTY:

(I) IN THE AMOUNT OF THE STATE'S COMPLAINT PLUS ANY ADDITIONAL AMOUNT ESTIMATED TO BE NECESSARY TO COVER THE COSTS AND REASONABLE ATTORNEY'S FEES INCURRED BY THE STATE; OR

(II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE REASONABLE.

(3) (I) A TEMPORARY LIEN SHALL TAKE EFFECT:

1. ON THE DATE OF THE COURT'S AUTHORIZATION, IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF TEMPORARY LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED WITHIN 10 DAYS AFTER THE COURT'S AUTHORIZATION; OR

2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS RECORDED.

(II) WHILE THE TEMPORARY LIEN IS IN EFFECT, NEITHER THE OWNER NOR ANY PERSON THAT ACQUIRED AN INTEREST IN THE PROPERTY AFTER THE STATE FIRST MADE FUNDS AVAILABLE IN CONNECTION WITH THE PROPERTY MAY, WITHOUT THE PRIOR WRITTEN CONSENT OF THE STATE:

1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO THE PROPERTY; OR

2. INSTITUTE ANY PROCEEDINGS TO ENFORCE A SECURITY INTEREST OR OTHER SIMILAR RIGHTS IN THE PROPERTY.

(4) (I) THE OWNER OF THE PROPERTY OR ANY OTHER INTERESTED PARTY MAY OBTAIN RELEASE OF A TEMPORARY LIEN AT ANY TIME BY FILING WITH THE COURT A BOND SECURING THE PAYMENT IN FULL OF THE STATE'S CLAIM AND ANY ADDITIONAL AMOUNT NECESSARY TO COVER THE COSTS AND REASONABLE ATTORNEY'S FEES INCURRED BY THE STATE.

(II) THE OWNER OR OTHER INTERESTED PARTY MAY CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

(D) PROCEEDINGS TO DETERMINE THE STATE'S RIGHT TO RECOVER AND THE AMOUNT OF THE STATE'S RECOVERY UNDER THIS SUBTITLE SHALL HAVE PRIORITY OVER OTHER CIVIL PROCEEDINGS IN THE CIRCUIT COURTS.

(E) (1) (I) AT THE CONCLUSION OF FULL ADVERSARY PROCEEDINGS ON THE ISSUE OF DEFAULT AND OF ANY DISPUTES OVER THE AMOUNT OF THE STATE'S RECOVERY, THE CIRCUIT COURT SHALL, IF IT FINDS THAT A DEFAULT HAS OCCURRED, ISSUE A FINAL JUDGMENT FOR THE AMOUNT THE CIRCUIT COURT FINDS TO BE RECOVERABLE BY THE STATE.

(II) ALL PARTIES INVOLVED IN THE DEFAULT, INCLUDING IN EVERY CASE THE OWNER OF THE PROPERTY, SHALL BE HELD JOINTLY AND SEVERALLY LIABLE TO THE STATE FOR THE AMOUNT OF THE JUDGMENT.

(2) (I) EXCEPT AS THE STATE MAY OTHERWISE PROVIDE BY A WRITTEN SUBORDINATION AGREEMENT, IF THE AMOUNT OF THE FINAL JUDGMENT REMAINS UNPAID AFTER 30 DAYS FOLLOWING THE COURT'S FINAL ORDER, THE FINAL JUDGMENT SHALL CONSTITUTE A LIEN ON THE PROPERTY, SUPERIOR TO THE LIEN OR OTHER INTEREST OF A MORTGAGEE, PLEDGEE, PURCHASER, OR JUDGMENT CREDITOR WHOSE INTEREST BECAME PERFECTED AGAINST THIRD PERSONS AFTER THE STATE FIRST MADE FUNDS AVAILABLE UNDER THIS SUBTITLE.

(II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, A LIEN TAKES EFFECT ON THE DATE A NOTICE OF LIEN IS RECORDED.

2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING THE FINAL ORDER.

(III) 1. AT THE TIME THAT A LIEN TAKES EFFECT, ANY TEMPORARY LIEN THEN IN EFFECT SHALL BE AUTOMATICALLY AND FULLY RELEASED.

2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

(IV) A LIEN IMPOSED UNDER THIS SUBSECTION MAY BE ENFORCED AND FORECLOSED IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED IN THE MARYLAND RULES, EXCEPT THAT NEITHER THE STATE NOR ANY AGENT APPOINTED BY THE STATE TO SELL THE PROPERTY NEED FILE A BOND.

(3) (I) THE OWNER OR ANY OTHER INTERESTED PARTY MAY OBTAIN RELEASE OF A LIEN AT ANY TIME BY PAYING TO THE STATE THE FULL AMOUNT OF THE JUDGMENT RENDERED BY THE CIRCUIT COURT, TOGETHER WITH INTEREST FROM THE DATE OF JUDGMENT.

(II) ON PAYMENT IN FULL, THE SECRETARY OF THE BOARD OF PUBLIC WORKS SHALL CAUSE A RELEASE TO BE RECORDED IN THE LAND RECORDS.

(4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

(F) (1) ALL FUNDS RECOVERED AS A RESULT OF THIS RIGHT OF RECOVERY SHALL BE DEPOSITED IN THE ANNUITY BOND FUND AND APPLIED TO THE DEBT SERVICE REQUIREMENTS OF THE STATE.

(2) IF THE BOARD OF PUBLIC WORKS DETERMINES THAT THERE IS GOOD CAUSE FOR RELEASING THE TRANSFEROR, TRANSFEREE, OR OWNER FROM THE OBLIGATION IMPOSED UNDER THIS SUBTITLE, THE BOARD OF PUBLIC WORKS MAY WAIVE THE STATE'S RIGHT OF RECOVERY UNDER THIS SUBTITLE.

24-1607.

THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

Approved by the Governor, May 13, 2019.