

[(a)](B) (1) In this [section,] SECTION the following terms have the meanings indicated.

[(1)](2) "Closure costs" means the reasonable costs determined by the Health Services Cost Review Commission to be incurred in connection with the [closure or delicensure] CLOSURE, DELICENSURE, OR CONVERSION of a hospital, including expenses of operating the hospital, payments to employees, employee benefits, fees of consultants, insurance, security services, utilities, legal fees, capital costs, costs of terminating contracts with vendors, suppliers of goods and services and others, debt service, contingencies and other necessary or appropriate costs and expenses.

[(2)](3) (i) "Public body obligation" means any bond, note, evidence of indebtedness or other obligation for the payment of borrowed money issued by the Authority, THE STATE, ANY AGENCY, INSTRUMENTALITY, OR PUBLIC CORPORATION OF THE STATE, any public body as defined in Article 31, § 9 of the Code, the Mayor and City Council of Baltimore, or any municipal corporation subject to the provisions of Article XI-E of the Maryland Constitution.

(ii) "Public body obligation" does not include any obligation, or portion of any such obligation, if:

1. The principal of and interest on the obligation or such portion thereof is:

A. Insured by an effective municipal bond insurance policy; and

B. Issued on behalf of a hospital that voluntarily closed in accordance with § 19-115(l) of the Health - General Article;

2. The proceeds of the obligation or such portion thereof were used for the purpose of financing or refinancing a facility or part thereof which is used primarily to provide outpatient services at a location other than the hospital; or

3. The proceeds of the obligation or such portion thereof were used to finance or refinance a facility or part thereof which is primarily used by physicians who are not employees of the hospital for the purpose of providing services to nonhospital patients.

[(b)](C) (1) The General Assembly finds that the failure to provide for the payment of public body obligations of a [closed or delicensed] CLOSED, DELICENSED, OR CONVERTED hospital could have a serious adverse effect on the ability of Maryland health care facilities, and potentially the ability of the State and local governments, to secure subsequent financing through the issuance of tax-exempt bonds.

(2) The purpose of this section is to preserve the access of Maryland's health care facilities to adequate financing by establishing a program to facilitate the refinancing and payment of public body obligations of a [closed or delicensed] CLOSED, DELICENSED, OR CONVERTED hospital.