

By: Henry of the Senate
and
Askins of the House

An Act relating to counties; amending 19 O.S. 1991, Section 789, which relates to county hospitals; clarifying language; expanding entities to which county hospitals may be leased under certain circumstances; stating qualifications of lessees; requiring majority vote of county commissioners to approve certain transactions; deleting certain restrictions on leases of county hospitals; authorizing assignment of certain leasehold interests and sublease of certain real and personal property under certain conditions; validating certain existing leases, subleases, and assignments; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 19 O.S. 1991, Section 789, is amended to read as follows:

Section 789. A. It shall be the duty of the board of county commissioners to place the management and control of ~~said~~ a county hospital either under a board of control composed of five, seven, or nine members, or to lease the hospital and equipment therein to a ~~charitable nonprofit~~ public trust or to an organization authorized to transact business in this state, the principal purpose of which is providing health care services and which can demonstrate to the board of county commissioners its financial and managerial ability to operate the hospital.

B. Unless the hospital is to be leased as ~~hereinafter~~ provided in this section, the board of county commissioners shall appoint the members of the board of control ~~from the citizens at large of the county, with reference to their fitness for such office, all who~~ shall be residents of the county, not more than three of ~~said board~~

~~members to whom may~~ be residents of the city or town in which ~~said~~ the hospital is located. Members of the board of control shall hold office, as follows: Five-member board - one for one (1) year; two for two (2) years; and two for three (3) years. Seven-member board - two for one (1) year; two for two (2) years; and three for three (3) years. Nine-member board - three for one (1) year; three for two (2) years; and three for three (3) years. ~~And each year as necessary the said~~ The board of county commissioners shall appoint successors ~~to such~~ for members of the board of control whose terms have expired ~~and such subsequent appointment.~~ Successors shall be serve for a term of four (4) years. ~~Provided, however, that;~~ provided, the board of county commissioners may at their discretion call an election for the purpose of ~~determining~~ electing such successors with the cost of ~~said~~ the election to be paid for by the county. Filings for ~~said~~ election shall be made with the county election board which shall conduct the election. No member of the board of control shall hold any state, county or city elective office while serving on the board of control. Members of the board of control shall receive no salary or compensation for their services, but may be reimbursed for any ~~cash~~ actual and necessary expenditures actually made for personal expenses incurred in the performance of their duties upon ~~presenting~~ presentation of an itemized statement of such expenses duly verified, filed with the secretary, if every attending member of the board votes in the affirmative at any regular board meeting. Vacancies in the board of control occasioned by removal, resignation, or otherwise shall be filled in like manner as original appointments, to hold office during the unexpired term for which ~~such~~ the member was appointed.

C. 1. If, by a two-thirds (2/3) vote, the board of county commissioners determines that it is ~~for~~ in the best interest of the county, ~~they~~ it may in lieu of operation of the hospital through a board of control, lease the hospital and equipment therein to a

~~charitable nonprofit~~ an organization, in such event authorized to transact business in this state, the principal purpose of which is providing health care services, and which can demonstrate to the board of county commissioners its financial and managerial ability to operate the hospital.

2. The lease shall require that the lessee shall be responsible for all costs of operation and maintenance; ~~provided, no hospital or equipment therein shall be leased other than to a public trust of which the county is beneficiary unless the specific leasing be authorized by the voters of the county at a general election, or a special election called for such purpose, and approved by a majority vote of the electors voting on such proposition at any such election. Provided, further, a charitable nonprofit corporation or public trust.~~

3. The lessee is specifically authorized to mortgage, with appropriate remedies, including the right of foreclosure, its leasehold interest in the real and personal property comprising the hospital and equipment for the purpose of securing or refunding indebtedness incurred in connection with the related hospital or equipment.

4. a. If the lessee is a public trust, the lessee, by a two-thirds (2/3) vote of its board of trustees and with the approval of the board of county commissioners by a two-thirds (2/3) vote, may assign its leasehold interest or sublease the real and personal property comprising the hospital and equipment to an organization authorized to transact business in this state, the principal purpose of which is providing health care services, and which can demonstrate to the board of trustees and to the board of county commissioners its financial and managerial ability to operate the hospital.

b. If the lessee is other than a public trust, the lessee, by a two-thirds (2/3) vote of the lessee's governing board and with the approval of the board of county commissioners by a two-thirds (2/3) vote, may assign its leasehold interest or sublease the real and personal property comprising the hospital and equipment to a public trust or to an organization authorized to transact business in this state, the principal purpose of which is providing health care services and which can demonstrate to the board of county commissioners its financial and managerial ability to operate the hospital.

D. Any lease, sublease, or assignment of leasehold interests executed prior to the effective date of this act that meets the requirements of this section is hereby declared to be valid.

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 24th day of February, 1999.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1999.

Speaker of the House of Representatives