

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

HOUSE BILL HB2350:

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AS INTRODUCED

An Act relating to public health and safety; amending Section 6, Chapter 432, O.S.L. 2003 (63 O.S. Supp. 2003, Section 3250.6), which relates to community hospitals public trust authorities; modifying powers and duties; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 6, Chapter 432, O.S.L. 2003 (63 O.S. Supp. 2003, Section 3250.6), is amended to read as follows:

Section 3250.6 A. 1. Each community hospital public trust authority established pursuant to the provisions of the Oklahoma Community Hospitals Public Trust Authorities Act shall be a governmental entity and a body politic and corporate with powers of government and with authority to establish and operate a hospital district and to exercise the rights, privileges and functions specified by the Oklahoma Community Hospitals Public Trust Authorities Act and Sections 176 through 180.3 of Title 60 of the Oklahoma Statutes.

2. Nothing in ~~this subsection~~ the Oklahoma Community Hospitals Public Trust Authorities Act shall be construed as authorizing any hospital district to levy or collect taxes or to pledge the credit of the state or any subdivision of this state.

B. Each community hospital public trust authority shall have the power to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Adopt an official seal;

3. Act as a vehicle for securing funds for education, indigent medical care, trauma care, emergency and other health care services;

4. Coordinate the delivery and efficiency of health care services within the hospital district established pursuant to the Oklahoma Community Hospitals Public Trust Authorities Act;

5. Sue and be sued;

6. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the Oklahoma Community Hospitals Public Trust Authorities Act;

7. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to discharge its duties and responsibilities or to implement the provisions of the Oklahoma Community Hospitals Public Trust Authorities Act;

8. Accept grants and other funds from agencies of this state, other states and from the federal government and ~~the United States of America~~, from other ~~government~~ governmental entities, or from any corporation or agency created or designed by the ~~United States~~ federal government or other ~~government~~ governmental entity, and to enter into such agreements as the ~~United States~~ federal government or such corporation or agency may require;

9. Accept grants and gifts from private individuals and organizations;

10. Accept and make intergovernmental transfers authorized by state law. A hospital district may make intergovernmental transfers to the Oklahoma Health Care Authority to the extent permitted by state or federal law;

11. Issue bonds and other evidences of indebtedness, and to secure the payment thereof by mortgage, pledge, or deed of trust of, or any other encumbrance upon, any or all of its then-owned or after-acquired real or personal property, assets, franchises, or revenues;

12. Become a member of other cooperatives, joint ventures, partnerships, corporations or other legal entities or to own stock therein;

13. Conduct its business and exercise its powers within or without this state;

14. Assess fees, levies, assessments, or charges upon and enforce the payment of such fees, levies, assessments or charges against any hospital located within the geographical boundaries of its hospital district and to remit such monies to the Oklahoma Health Care Authority for purposes of meeting the state's share for the supplemental Medicaid programs to the extent and manner authorized by federal law. Fees, levies, assessments or charges may be enforced by a community hospital public trust authority through civil action brought in the district court in the county in which the community hospital public trust authority is located;

15. Appoint officers, agents and employees, prescribe their duties and fix their compensation;

16. Engage in long-term planning for the operation and management of a community hospital public trust authority;

17. Establish petty cash funds as needed and provide for appropriate accounting procedures and controls; and

18. Do all other things necessary and proper to implement the provisions of the Oklahoma Community Hospitals Public Trust Authorities Act.

C. No director or officer of a community hospital public trust authority shall vote on any issue before the authority in which such

director or officer has a direct interest in any contract or for any work by or for the community hospital public trust authority.

D. The trustees of each community hospital public trust authority created pursuant to the Oklahoma Community Hospitals Public Trust Authorities Act shall make and adopt bylaws for the due and orderly administration and regulation of the affairs of the community hospital public trust authority. All bylaws and amendments thereto of a community hospital public trust authority shall be submitted in writing to each beneficiary of the community hospital public trust authority, the Governor of this state and to the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the State Senate.

E. No appropriation of state funds shall be made to any community hospital public trust authority. Each authority may receive the funds it may be entitled to receive pursuant to the Medicaid program as administered by the Oklahoma Health Care Authority.

F. Each community hospital public trust authority shall comply with:

1. The annual budget provisions of the state requiring a balanced budget. A copy of the budget shall be submitted annually to the Governor and to each beneficiary of the community hospital public trust authority;
2. The Public Competitive Bidding Act of 1974;
3. The Oklahoma Open Records Act;
4. The Oklahoma Open Meeting Act; and
5. The provisions of Sections 176 through 180.3 of Title 60 of the Oklahoma Statutes and the Community Hospitals Public Trust Authorities Act.

G. 1. Each community hospital public trust authority shall provide for complete financial audits on all accounts of the community hospital public trust authority and authorize periodic

audits by an independent external auditing agency. Such audits shall be performed annually in a format approved by the State Auditor and Inspector. The audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting principles. Such audits shall be submitted to the State Auditor and Inspector and to the beneficiary of the community hospital public trust authority for review.

2. In addition to the audits specified by this subsection, the State Auditor and Inspector, whenever the State Auditor and Inspector deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the beneficiary of a community hospital public trust authority, the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the community hospital public trust authority shall conduct a special audit of the authority. Such audit shall be paid from the funds of the community hospital public trust authority.

H. 1. Except for acts of dishonesty, no trustee of a community hospital public trust authority shall be charged personally with any liability whatsoever by reason of any act or omission committed or suffered in the performance of such trust or in the operation of the trust property.

2. A community hospital public trust authority established pursuant to the provisions of the Oklahoma Community Hospitals Public Trust Authorities Act shall be covered by The Governmental Tort Claims Act.

3. Officers, employees, agents, independent contractors and employees of independent contractors of hospitals participating in the hospital district shall not be covered by The Governmental Tort Claims Act. The provisions of this paragraph shall not affect the immunity provided to hospitals or to officers and employees of

hospitals covered by Section 152 of Title 51 of the Oklahoma Statutes.

4. In no event shall the state, county or municipality be construed to be or become liable for any act, omission or obligation of a trustee or of the community hospital public trust authority.

I. A community hospital public trust authority may be terminated by agreement of the trustees of this state; provided, that such community hospital public trust authority shall not be terminated while there exists any outstanding contractual obligations chargeable against the trust property.

J. 1. Compliance with the provisions of Sections 176 through 180.3 of Title 60 of the Oklahoma Statutes and the Oklahoma Community Hospitals Public Trust Authorities Act by a community hospital public trust authority shall be and constitute a binding contract with the county or counties and municipality beneficiaries for the acceptance of the beneficial interest in the trust property by the designated beneficiary and the application of the proceeds of the trust property and its operation for the purposes, and in accordance with the stipulations, of the public trust instrument.

2. Each community hospital public trust authority shall be the regularly constituted authority of the beneficiary for the performance of the functions for which the community hospital public trust authority shall have been created.

K. 1. A community hospital public trust authority shall have the power and duty to make and issue bonds and to pledge revenues of the community hospital public trust authority subject to the Oklahoma Bond Oversight and Reform Act. Nothing in the Oklahoma Community Hospitals Public Trust Authorities Act shall authorize the issuance of any bonds by a community hospital public trust authority payable other than from revenues of the community hospital public trust authority.

2. Community hospital public trust authority revenue bonds issued under the provisions of this subsection shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided.

3. Such revenue bonds shall contain on the face thereof a statement to the effect that neither the state nor the community hospital public trust authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds.

4. The interest income derived from any obligation issued by a community hospital public trust authority shall be exempt from the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes.

SECTION 2. 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.

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