

EHB 1645

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THE STATE SENATE
Wednesday, April 6, 2005

ENGROSSED

House Bill No. 1645

ENGROSSED HOUSE BILL NO. 1645 - By: WINCHESTER and DORMAN of the House and JUSTICE of the Senate.

An Act relating to county hospitals; amending 19 O.S. 2001, Section 789, which relates to lease of county hospitals to certain organizations; modifying leasing arrangements; and providing an effective date.

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

SECTION 1. AMENDATORY 19 O.S. 2001, 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 a county hospital either under a board of control composed of five, seven, or nine members, or to lease the hospital and the equipment therein 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 property owned by the hospital or a portion of the hospital.

B. Unless the hospital is to be leased as provided in this section, the board of county commissioners shall appoint the members of the board of control who shall be residents of the county, not

1 more than three of whom may be residents of the city or town in
2 which the hospital is located. Members of the board of control
3 shall hold office, as follows: Five-member board - one for one (1)
4 year; two for two (2) years; and two for three (3) years.
5 Seven-member board - two for one (1) year; two for two (2) years;
6 and three for three (3) years. Nine-member board - three for one
7 (1) year; three for two (2) years; and three for three (3) years.
8 The board of county commissioners shall appoint successors for
9 members of the board of control whose terms have expired.
10 Successors shall serve for a term of four (4) years; provided, the
11 board of county commissioners may at their discretion call an
12 election for the purpose of electing such successors with the cost
13 of the election to be paid for by the county. Filings for election
14 shall be made with the county election board which shall conduct the
15 election. No member of the board of control shall hold any state,
16 county or city elective office while serving on the board of
17 control. Members of the board of control shall receive no salary or
18 compensation for their services, but may be reimbursed for any
19 actual and necessary expenditures incurred in the performance of
20 their duties upon presentation of an itemized statement of such
21 expenses duly verified, filed with the secretary, if every attending
22 member of the board votes in the affirmative at any regular board
23 meeting. Vacancies in the board of control occasioned by removal,

1 resignation, or otherwise shall be filled in like manner as original
2 appointments, to hold office during the unexpired term for which the
3 member was appointed.

4 C. 1. If, by a two-thirds (2/3) vote, the board of county
5 commissioners determines that it is in the best interest of the
6 county, it may in lieu of operation of the hospital through a board
7 of control, lease the hospital and the equipment therein to an
8 organization authorized to transact business in this state, the
9 principal purpose of which is providing health care services, and
10 which can demonstrate to the board of county commissioners its
11 financial and managerial ability to operate the hospital.

12 2. The lease shall require that the lessee shall be responsible
13 for all costs of operation and maintenance of the hospital in its
14 entirety.

15 3. The lessee is specifically authorized to mortgage, with
16 appropriate remedies, including the right of foreclosure, its
17 leasehold interest in the real and personal property comprising or
18 owned by the hospital and, any portion of the hospital, or the
19 equipment for the purpose of securing or refunding indebtedness
20 incurred in connection with the related hospital or equipment.

21 4. a. If the lessee is a public trust, the lessee, by a two-
22 thirds (2/3) vote of its board of trustees and with
23 the approval of the board of county commissioners by a

1 two-thirds (2/3) vote, may assign its leasehold
2 interest or sublease the real and personal property
3 comprising or owned by the hospital ~~and~~, a portion of
4 the hospital, or the equipment to an organization
5 authorized to transact business in this state, the
6 principal purpose of which is providing health care
7 services, and which can demonstrate to the board of
8 trustees and to the board of county commissioners its
9 financial and managerial ability to operate property
10 owned by the hospital or a portion of the hospital.

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

1 property owned by the hospital or a portion of the
2 hospital.

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

6 SECTION 2. This act shall become effective November 1, 2005.

7 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 4-4-05 -
8 DO PASS.