

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1336 By: Crain, Barrington and
Fields of the Senate
3
and
4
Murdock of the House
5
6

7 [hospital districts - creation of certain trusts -
8 minimum requirements - audits - codification -
9 effective date]
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12 AUTHOR: Add the following House Coauthor: Sherrer

13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
14 entire bill and insert

15 "An Act relating to public health; defining terms;
16 permitting hospital trusts; providing geographic
requirements and limitations; authorizing submission
17 to voters question related to imposition of
taxation; requiring certain use of revenues from
such taxation; exempting certain property from such
18 taxation; requiring certain organization of trusts;
providing requirements for trust instruments;
19 requiring trust board of directors; providing for
size and characteristics of such board; providing
20 for election and appointment of directors; making
such boards subject to the Oklahoma Open Meeting Act
21 and Oklahoma Open Records Act; requiring certain
Attorney General approval; requiring certain filings
22 of trust agreement; requiring a balanced budget;
requiring certain submissions of annual trust
23 budgets; requiring certain financial audits;
requiring certain submissions of financial audit
24

1 reports; providing for codification; and providing
2 an effective date.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 7302 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 As used in this act:

9 1. "Hospital" means a hospital as such term is defined by
10 Section 1-701 of Title 63 of the Oklahoma Statutes and shall also
11 include a medical facility owned or operated by a city or county
12 that provides medical diagnosis or treatment to area citizens
13 through a medical care clinic, laboratory radiology services or
14 nursing home services;

15 2. "Hospital trust" means a trust established pursuant to the
16 provisions of this act; and

17 3. "Hospital district" means a designated geographical area
18 established by a hospital trust.

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 7303 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. 1. A hospital or two or more hospitals located within a
23 county or adjacent counties, or located within a county or adjacent
24 counties and a municipality may jointly create a public trust and

1 subsidiary districts for the purposes of submitting to voters of
2 each such county the question of whether to impose a tax not
3 previously imposed, the revenues of which shall be used for the
4 financial support of hospitals within each district. To the extent
5 that the tax authorized by this paragraph is based on the taxable
6 value of property or would be imposed as an assessment that was
7 based on the value of real property, the types of property provided
8 in paragraphs 2, 3, 4 and 5 of subsection A of Section 2803 of Title
9 68 of the Oklahoma Statutes and real property used for agricultural
10 or industrial purposes shall not be subject to such tax or
11 assessment.

12 2. The boundaries of a hospital trust should be coextensive
13 with the boundaries of a county or a group of member counties.

14 3. The county or counties, or the county or counties and
15 municipality in which a hospital trust is established must approve
16 and shall be the beneficiary of the public trust pursuant to the
17 provisions of Sections 176 and 177 of Title 60 of the Oklahoma
18 Statutes.

19 B. The instrument creating the hospital trust shall provide at
20 a minimum:

21 1. The reasons for organizing and constituting a hospital
22 trust, including a statement that the hospital trust will comply
23 with all applicable provisions of Sections 176 through 180.3 of
24

1 Title 60 of the Oklahoma Statutes and the Oklahoma Community
2 Hospital District Act;

3 2. A statement that the public trust shall be separate and
4 independent from the affairs of the beneficiary in all matters or
5 activities authorized by the written instrument creating the public
6 trust;

7 3. The names and corporate headquarters of each hospital
8 located in the proposed hospital district;

9 4. A concise description of the geographic boundaries to be
10 embraced within the proposed hospital district;

11 5. A statement that the proposed hospital district is embracing
12 only those lands within the proposed boundaries specified by this
13 subsection which can reasonably and economically be served in the
14 foreseeable future;

15 6. Assurance that all hospitals located within the hospital
16 district which meet the eligibility criteria can participate in the
17 public trust; and

18 7. For the appointment, succession, powers, duties, terms and
19 manner of removal of trustees.

20 C. Each trust created pursuant to this act shall be governed by
21 a board of directors. Each board shall contain at least seven
22 members and shall contain, at a minimum:

23 a. the county commissioner or his or her designee of each
24 district within a participating county,

1 b. the elected chief executive or his or her designee of
2 each participating municipality,

3 c. one layperson from each district represented by a
4 county commissioner and appointed by the board of
5 commissioners, and

6 d. one layperson from each participating municipality and
7 appointed by the elected chief executive of the
8 municipality.

9 D. Members of each board of directors shall elect a chair to
10 preside over meetings of the board. Vacancies shall be filled in
11 the same manner as the original appointment. The meetings of the
12 board shall comply with the Oklahoma Open Meeting Act and Oklahoma
13 Open Records Act.

14 E. As a condition precedent, each trust created pursuant to
15 this act must receive approval from the Attorney General that the
16 public trust is in the proper form.

17 F. A certified copy of the public trust agreement must be filed
18 with the Secretary of State and with the court clerk of each
19 beneficiary county and municipality.

20 G. Each hospital trust and its subsidiary districts shall
21 comply with:

22 1. The annual budget provisions of the state requiring a
23 balanced budget. A copy of the budget shall be submitted annually
24 to the President Pro Tempore of the Senate, the Speaker of the House

1 of Representatives, the Governor and to each beneficiary of the
2 community hospital public trust authority;

3 2. The Public Competitive Bidding Act of 1974;

4 3. The Oklahoma Open Records Act;

5 4. The Oklahoma Open Meeting Act; and

6 5. The provisions of Sections 176 through 180.3 of Title 60 of
7 the Oklahoma Statutes.

8 H. Each hospital trust shall provide for complete financial
9 audits on all accounts of the trust and authorize periodic audits by
10 an independent external auditing agency. Such audits shall be
11 performed annually in a format approved by the State Auditor and
12 Inspector. The audits shall be made in accordance with generally
13 accepted auditing standards and government auditing standards.
14 Financial statements shall be prepared in accordance with generally
15 accepted accounting principles. Such audits shall be submitted to
16 the State Auditor and Inspector and to the beneficiary of the
17 district for review.

18 SECTION 3. This act shall become effective November 1, 2016."
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Passed the House of Representatives the 12th day of April, 2016.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2016.

Presiding Officer of the Senate