

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1149

6 By: Griffin

7 COMMITTEE SUBSTITUTE

8 An Act relating to health care facilities; amending  
9 11 O.S. 2011, Section 30-101, which relates to  
10 municipal hospitals; authorizing a municipality to  
11 operate hospitals outside municipal limits; amending  
12 19 O.S. 2011, Section 790.1, which relates to powers  
13 and duties; modifying language; granting authority  
14 for Board of Control to manage certain medical  
15 facilities and institutions; making gender neutral;  
16 amending 60 O.S. 2011, Section 176, which relates to  
17 public trusts; allowing public trust to engage in  
18 activities outside certain boundaries; amending 63  
19 O.S. 2011, Section 3250.3, which relates to public  
20 trusts; deleting certain limitation on hospital  
21 districts; and providing an effective date.

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

23 SECTION 1. AMENDATORY 11 O.S. 2011, Section 30-101, is  
24 amended to read as follows:

25 Section 30-101. A municipal governing body may establish and  
26 maintain a municipal hospital and do all things necessary and proper  
27 in its discretion pursuant to the authority granted to it by the  
28 Constitution and laws of this state to further the ability of the  
29 municipality to provide hospital service. After the establishment

1 of a municipal hospital, the governing body shall include an item in  
2 its municipal financial statement and estimate of needs for the  
3 following fiscal year to maintain the hospital. The municipal  
4 governing body may engage in transactions to manage, lease or  
5 operate a medical facility outside the municipal limits to provide  
6 an economic benefit to the community or lessen the burden of  
7 government which does not solely provide a benefit by generating  
8 administrative fees.

9 SECTION 2. AMENDATORY 19 O.S. 2011, Section 790.1, is  
10 amended to read as follows:

11 Section 790.1. ~~(a)~~ A. Upon the appointment of a Board of  
12 Control to manage a county hospital, the members of the Board of  
13 Control shall within ten (10) days after their appointment qualify  
14 by taking an oath in the form required of county officers,  
15 ~~organizing~~ organize the Board of Control by the election of one  
16 member as ~~chairman~~ chair, one member as ~~vice-chairman~~ vice-chair,  
17 one member as secretary, and one member as treasurer~~;~~; however, the  
18 secretary and treasurer may be the same person, and electing or  
19 appointing such other officer or officers as ~~they~~ the Board may deem  
20 necessary, but only the treasurer shall be bonded. The proportional  
21 share of the county blanket bond premium for such person shall be  
22 paid out of the county hospital fund. Every one (1) year  
23 thereafter, at the first meeting of the Board of Control following  
24 the appointment or reappointment of board members, a reorganization

1 meeting shall be held and officers selected as hereinbefore stated.  
2 Such Board of Control shall hold meetings at least once each month,  
3 shall keep a complete record of all its proceedings, and a majority  
4 of ~~said board~~ the Board shall constitute a quorum for the  
5 transaction of business. The district attorney, or his or her  
6 assistant, shall serve as attorney for the Board of Control without  
7 additional compensation~~;~~ however, the board may employ other  
8 counsel and pay for such service from the general funds of ~~such~~ the  
9 hospital, provided a majority of the ~~board~~ Board shall determine  
10 such employment to be in the best interest of the hospital. No  
11 member of the Board of Control shall have a personal pecuniary  
12 interest either directly or indirectly in any purchases or contracts  
13 for ~~said~~ the hospital unless the same are purchased or awarded by  
14 competitive bids.

15 ~~(b)~~ B. The Board of Control shall in management of a county  
16 hospital:

17 1. Have exclusive control, supervision, care and custody of the  
18 grounds, property, and buildings purchased, constructed, leased, or  
19 set apart for such hospital purposes.

20 2. Employ a competent administrator as the executive officer of  
21 the hospital and fix his or her compensation. ~~He~~ The administrator  
22 shall be covered by the county blanket bond and the proportional  
23 share of the premium shall be paid out of the county hospital fund.

24

1           3. Establish the fiscal year of the hospital and, not later  
2 than ninety (90) days after close of the fiscal year, file with the  
3 county clerk of ~~said~~ the county a report of the proceedings with  
4 reference to such hospital and a statement of all receipts and  
5 expenditures during the preceding fiscal year, and shall adopt a  
6 budget, such budget to show the amount necessary to maintain and  
7 improve ~~said~~ the hospital for the ensuing fiscal year. A complete  
8 audit to be required at the end of each fiscal year is to be  
9 performed by a licensed accountant.

10           4. Cause not less than one of its members to visit and inspect  
11 ~~said~~ the hospital at least once each month. It shall be the duty of  
12 the Board of Control to admit, upon recommendation of a physician,  
13 without expense to the patient, all county charity patients  
14 certified to be such by ~~said~~ the Board of Control, in need of  
15 medical or surgical treatment; and all other patients admitted to  
16 ~~said~~ the hospital for treatment shall be charged a just and  
17 reasonable price for their medical and surgical treatment while in  
18 the custody of ~~said~~ the hospital.

19           5. Adopt a policy of admission of patients for ~~said~~ the county  
20 hospital.

21           6. Have authority to authorize ~~said~~ the hospital to be a member  
22 of and maintain membership in any local, state, or national group  
23 association organized and operated for the promotion of the public  
24 health and welfare or the advancement of the efficiency of hospital

1 administration and in connection therewith to pay dues and fees  
2 therefor from the county hospital fund.

3 7. Have authority to establish or participate in health related  
4 educational programs.

5 8. Have authority to procure and pay out of the county hospital  
6 fund premiums on any and all insurance policies required for the  
7 prudent management of the hospital, including, but not limited to,  
8 public liability, professional malpractice liability, ~~workmen's~~  
9 workers' compensation, vehicle liability, life, health and accident  
10 plans, and to make contributions to the Public Employees' Retirement  
11 System of the state. ~~Said~~ The insurance may include as additional  
12 insureds the Board of Control and employees of the hospital.

13 9. Determine when there is a surplus in any of the funds of the  
14 hospital and if so determined may invest such surplus in United  
15 States Government Bonds or insured securities or in insured time  
16 deposits until such time as in the judgment of the Board of Control  
17 it is deemed advisable to use such funds for hospital purposes,  
18 including, but not limited to, the purchase of equipment, repair,  
19 remodeling, or new construction of hospital property.

20 10. Either as a board or through the administrator, use  
21 reasonable diligence and efforts to make collections of accounts for  
22 hospital services rendered.

23 11. Have authority to adopt such bylaws, rules and regulations  
24 as ~~they deem~~ the Board deems desirable for ~~their~~ its own guidance

1 and the administration of the hospital, not inconsistent with the  
2 law.

3 12. Have authority to undertake the management, lease or  
4 operation of any other medical facility or institution; and

5 13. Do all things necessary for the management, control, and  
6 government of ~~said~~ the hospital and exercise all the rights and  
7 duties pertaining to hospital boards generally, unless such rights  
8 are specifically denied or prohibited by law.

9 ~~(e)~~ C. In the operation of a county hospital by the Board of  
10 Control the following funds shall be established in connection with  
11 a county hospital:

12 1. The proceeds from the sale of bonds, as provided in Section  
13 784 of this title, shall be deposited in a fund known as the "county  
14 hospital bond fund" in the treasury of the county, which shall be  
15 paid out by the county treasurer upon the orders of the board of  
16 county commissioners from time to time as the same is needed.

17 2. The proceeds from the tax levy provided by Section 786 of  
18 this title, and funds received by the hospital for services or  
19 otherwise not specifically designated to a special fund by the Board  
20 of Control shall be deposited in the treasury of the county in the  
21 "county hospital fund". Current receipts by the hospital, including  
22 tuition fees of any school operated by the hospital, shall be  
23 deposited in ~~said~~ the fund at least every week. ~~Such~~ The money in  
24 the "county hospital fund" shall be paid out only upon itemized and

1 acknowledged claims duly approved by the Board of Control or in the  
2 procedure prescribed by ~~said~~ the board by warrants drawn by the  
3 administrator or such other person as may be designated by the Board  
4 of Control, which warrants must be authenticated by the treasurer of  
5 the Board of Control or a duly qualified officer of the Board of  
6 Control. If a county hospital shall operate a home for nurses, then  
7 the current receipts of ~~said~~ the home for nurses shall be deposited  
8 with the county treasurer in the Home for Nurses Fund.

9 ~~(d)~~ D. The Board of Control may by resolution establish such  
10 other funds as it deems advisable for the efficient and proper  
11 management of the hospital, which may or may not be in the county  
12 treasury, and prescribe the procedure for the handling, expending,  
13 and withdrawal of such funds. All checks to be signed by the  
14 administrator or his or her assistant and one member of the Board of  
15 Control.

16 1. If a majority of the Board of Control shall vote in favor of  
17 the establishment of a refund account, then the board shall  
18 designate a bank, and set up an account. Thereafter, when it  
19 becomes necessary to refund monies to a patient for the overpayment  
20 of an account, a check shall be drawn on ~~said~~ the refund account,  
21 and after ~~said~~ the check has been signed by the administrator or ~~his~~  
22 a designee and one member of the Board of Control, the same shall be  
23 delivered to ~~said~~ the patient. The account may be replenished as  
24 deemed necessary.

1 After the establishment of ~~said~~ the account, the administrator  
2 shall certify the list of actual refunds which have been made to  
3 patients during the interim since last approval. Upon acceptance by  
4 the Board of Control, the certified list of refunds shall be used to  
5 support the preparation of a warrant to be drawn on the county  
6 treasurer and charged to county hospital fund for the replenishment  
7 of ~~said~~ the refund account.

8 2. If a majority of the Board of Control shall vote in favor of  
9 the establishment of a salary account, the ~~board~~ Board shall then  
10 designate a bank covered by F.D.I.C., set up an account, and deposit  
11 a warrant drawn upon the "county hospital fund", not to exceed One  
12 Thousand Dollars (\$1,000.00) in amount, to open the account, and the  
13 necessary resolutions requisite to the establishment of an account  
14 shall be performed. Thereafter, as soon as the complete payroll has  
15 been prepared, a warrant shall be drawn upon the "county hospital  
16 fund" for the amount of the payroll and deposited in the salary fund  
17 of \_\_\_\_\_ Hospital. The individual payroll checks shall be signed  
18 by the administrator or ~~his~~ a designee and one member of the Board  
19 of Control.

20 3. If a majority of the Board of Control shall vote in favor of  
21 the establishment of a nursing home operating account, then a bank  
22 account shall be opened in a bank designated as a state or county  
23 depository.

24

1        Thereafter the Board of Control shall draw a warrant on the  
2 county treasurer to be charged to the nursing home fund, ~~said~~ the  
3 warrant to be in the exact amount of a certified list of current  
4 obligations of ~~said~~ the nursing home. ~~Said~~ The list shall be drawn  
5 by the administrator and certified by him or her to the Board of  
6 Control and shall contain the details of all expenditures to be made  
7 for the nursing home for the previous months' operations including  
8 salaries.

9        The proceeds of ~~said~~ the warrant shall then be deposited in the  
10 nursing home operating account in the bank above designated.  
11 Thereafter the administrator shall prepare individual checks in  
12 payment of the list of current obligations. Provided, however, that  
13 ~~said~~ the checks shall be signed by the administrator and by one  
14 member of the Board of Control.

15        4. If a majority of the Board of Control shall vote in favor of  
16 the establishment of a petty cash account, then a warrant shall be  
17 drawn on the county treasurer in an amount not to exceed the sum of  
18 One Hundred Dollars (\$100.00). The warrant shall be charged by the  
19 county treasurer to the hospital fund. The proceeds of ~~said~~ the  
20 warrant shall be used for the payment of small bills for freight,  
21 postage due, minor expenses, et cetera, all of a minor amount; and  
22 the hospital shall secure proper receipts for the disbursement of  
23 ~~said~~ the proceeds.

24

1        Thereafter, the administrator shall certify the list of petty  
2 expenditures, and, after approval by the Board of Control, a warrant  
3 shall be drawn on the county treasurer, county hospital fund, for  
4 the replenishment of ~~said~~ the petty cash account.

5        Likewise, and in the same manner, a petty cash account may be  
6 established in any nursing home or related institution of the same  
7 if operated by the hospital.

8        5. If a majority of the Board of Control shall vote in favor of  
9 the use of a facsimile signature machine in signing checks upon the  
10 "county hospital fund" or any other fund, a machine shall be  
11 utilized to imprint the facsimile signature of the administrator and  
12 the treasurer of the Board of Control upon ~~said~~ the checks. Proper  
13 procedures must be implemented to control the use of the signature  
14 machine; such controls to be established by the Board of Control.  
15 Any person having a key to operate the machine shall be bonded by  
16 the county blanket bond and the company furnishing the machine shall  
17 furnish a surety bond in an amount not less than Ten Thousand  
18 Dollars (\$10,000.00) to protect and indemnify against bogus or  
19 forged checks or warrants from being issued from the machine.

20        ~~(e)~~ E. Any unencumbered balances in any of the funds of the  
21 county hospital at the close of the fiscal year shall not lapse, but  
22 shall be carried forward to the next fiscal year.

23

24

1       ~~(f)~~ F. The provisions of the Oklahoma Statutes relative to  
2 counties or funds of counties, except Sections 781 et seq. of this  
3 title, shall not be applicable to county hospitals.

4       SECTION 3.        AMENDATORY        60 O.S. 2011, Section 176, is  
5 amended to read as follows:

6       Section 176. A. Express trusts may be created to issue  
7 obligations, enter into financing arrangements including, but not  
8 limited to, lease-leaseback, sale-leaseback, interest rate swaps and  
9 other similar transactions and to provide funds for the furtherance  
10 and accomplishment of any authorized and proper public function or  
11 purpose of the state or of any county or municipality or any and all  
12 combinations thereof, in real or personal property, or either or  
13 both, or in any estate or interest in either or both, with the  
14 state, or any county or municipality or any and all combinations  
15 thereof, as the beneficiary thereof by:

16       1. The express approval of the Legislature and the Governor if  
17 the State of Oklahoma is the beneficiary;

18       2. The express approval of two-thirds (2/3) of the membership  
19 of the governing body of the beneficiary if a county is a  
20 beneficiary;

21       3. The express approval of two-thirds (2/3) of the membership  
22 of the governing body of the beneficiary if a municipality is a  
23 beneficiary; or  
24

1           4. The express approval of two-thirds (2/3) of the membership  
2 of the governing body of each beneficiary in the event a trust has  
3 more than one beneficiary; provided, that no funds of a beneficiary  
4 derived from sources other than the trust property, or the operation  
5 thereof, shall be charged with or expended for the execution of the  
6 trust, except by express action of the legislative authority of the  
7 beneficiary prior to the charging or expending of the funds. The  
8 officers or any other governmental agencies or authorities having  
9 the custody, management, or control of any property, real or  
10 personal or mixed, of the beneficiary of the trust, or of a proposed  
11 trust, which property shall be needful for the execution of the  
12 trust purposes, are authorized and empowered to lease the property  
13 for those purposes, after the acceptance of the beneficial interest  
14 therein by the beneficiary as hereinafter provided.

15           B. Any trust created pursuant to the provisions of this  
16 section, in whole or in part, may engage in activities outside of  
17 the geographic boundaries of its beneficiary, so long as the  
18 activity provides a benefit to a large class of the public within  
19 the beneficiary's geographic area or lessen the burdens of  
20 government of the beneficiary which does not solely provide a  
21 benefit by generating administrative fees.

22           C. A municipality may convey title to real property which is  
23 used for an airport to the trustees of an industrial development  
24 authority trust whose beneficiary is the municipality. The

1 industrial development authority trust must already have the  
2 custody, management, or control of the real property. The  
3 conveyance must be approved by a majority of the governing body of  
4 the municipality. A conveyance pursuant to this section may be made  
5 only for the sole purpose of allowing the authority to sell the  
6 property for fair market value when the property is to be used for  
7 industrial development purposes. Conveyances made pursuant to this  
8 subsection shall be made subject to any existing reversionary  
9 interest or other restrictions burdening the property and subject to  
10 any reversionary interest or other restriction considered prudent by  
11 the municipality.

12 ~~C.~~ D. The trustees of a public trust having the State of  
13 Oklahoma as beneficiary shall make and adopt bylaws for the due and  
14 orderly administration and regulation of the affairs of the public  
15 trust. All bylaws of a public trust having the State of Oklahoma as  
16 beneficiary shall be submitted in writing to the Governor of the  
17 State of Oklahoma. The Governor must approve the proposed bylaws  
18 before they take effect.

19 ~~D.~~ E. No public trust in which the State of Oklahoma is the  
20 beneficiary may be amended without a two-thirds (2/3) vote of  
21 approval of the trustees of the trust; provided, that any amendment  
22 is subject to the approval of the Governor of the State of Oklahoma.  
23 Any amendments shall be sent to the Governor within fifteen (15)  
24 days of their adoption.

1       ~~E.~~ F. No trust in which a county or municipality is the  
2 beneficiary shall hereafter create an indebtedness or obligation  
3 until the indebtedness or obligation has been approved by a two-  
4 thirds (2/3) vote of the governing body of the beneficiary. In the  
5 event a trust has more than one beneficiary, as authorized by this  
6 section, the trust shall not incur an indebtedness or obligation  
7 until the indebtedness or obligation has been approved by a two-  
8 thirds (2/3) vote of the governing body of two-thirds (2/3) of the  
9 beneficiaries of the trust.

10       ~~F.~~ G. All bonds described in subsection E of this section,  
11 after December 1, 1976, except bonds sold to the federal government  
12 or any agency thereof or to any agency of the State of Oklahoma,  
13 shall be awarded to the lowest and best bidder based upon open  
14 competitive public offering, advertised at least once a week for two  
15 (2) successive weeks in a newspaper of general circulation in the  
16 county where the principal office of the trust is located prior to  
17 the date on which bids are received and opened; provided,  
18 competitive bidding may be waived on bond issues with the approval  
19 of three-fourths (3/4) of the trustees, and a three-fourths (3/4)  
20 vote of the governing body of the beneficiary, unless the  
21 beneficiary is a county in which case a two-thirds (2/3) vote of the  
22 members of the governing body shall be required, or three-fourths  
23 (3/4) vote of the governing bodies of each of the beneficiaries of  
24 the trust, unless one of the beneficiaries is a county in which case

1 a two-thirds (2/3) vote of the members of the governing body of such  
2 county shall be required. No bonds shall be sold for less than par  
3 value, except upon approval of three-fourths (3/4) of the trustees,  
4 unless the beneficiary is a county in which case a two-thirds (2/3)  
5 vote of the members of the governing body shall be required. In no  
6 event shall bonds be sold for less than sixty-five percent (65%) of  
7 par value; provided, however, in no event shall the original  
8 purchaser from the issuer of any bonds issued by any public trust  
9 for any purpose receive directly or indirectly any fees,  
10 compensation, or other remuneration in excess of four percent (4%)  
11 of the price paid for the bonds by the purchaser of the bonds from  
12 the original purchaser; and further provided, that the average  
13 coupon rate thereon shall in no event exceed fourteen percent (14%)  
14 per annum. No public trust shall sell bonds for less than ninety-  
15 six percent (96%) of par value until the public trust has received  
16 from the underwriter or financial advisor or, in the absence of an  
17 underwriter or financial advisor, the initial purchaser of the  
18 bonds, an estimated alternative financing structure or structures  
19 showing the estimated total interest and principal cost of each  
20 alternative. At least one alternative financing structure shall  
21 include bonds sold to the public at par. Any estimates shall be  
22 considered a public record of the public trust. Bonds, notes or  
23 other evidences of indebtedness issued by any public trust shall be  
24 eligible for purchase by any state banking association or

1 corporation subject to such limitations as to investment quality as  
2 may be imposed by regulations, rules or rulings of the State Banking  
3 Commissioner.

4 ~~G.~~ H. Public trusts created pursuant to this section shall file  
5 annually, with their respective beneficiaries, copies of financial  
6 documents and reports sufficient to demonstrate the fiscal activity  
7 of such trust, including, but not limited to, budgets, financial  
8 reports, bond indentures, and audits. Amendments to the adopted  
9 budget shall be approved by the trustees of the public trust and  
10 recorded as such in the official minutes of such trust.

11 ~~H.~~ I. Contracts for construction, labor, equipment, material or  
12 repairs in excess of Fifty Thousand Dollars (\$50,000.00) shall be  
13 awarded by public trusts to the lowest and best competitive bidder,  
14 pursuant to public invitation to bid, which shall be published in  
15 the manner provided in the preceding section hereof; the  
16 advertisements shall appear in the county where the work, or the  
17 major part of it, is to be done, or the equipment or materials are  
18 to be delivered, or the services are to be rendered; provided,  
19 however, should the trustee or the trustees find that an immediate  
20 emergency exists, which findings shall be entered in the journal of  
21 the trust proceedings, by reason of which an immediate outlay of  
22 trust funds in an amount exceeding Fifty Thousand Dollars  
23 (\$50,000.00) is necessary in order to avoid loss of life,  
24 substantial damage to property, or damage to the public peace or

1 safety, then the contracts may be made and entered into without  
2 public notice or competitive bids; provided that the provisions of  
3 this subsection shall not apply to contracts of industrial and  
4 cultural trusts. Notwithstanding the provisions of this subsection,  
5 equipment or materials may be purchased by a public trust directly  
6 from any contract duly awarded by this state or any state agency  
7 under the Oklahoma Central Purchasing Act, or from any contract duly  
8 awarded by a governmental entity which is the beneficiary of the  
9 public trust.

10 ~~I.~~ J. Any public trust created pursuant to the provisions of  
11 this section shall have the power to acquire lands by use of eminent  
12 domain in the same manner and according to the procedures provided  
13 for in Sections 51 through 65 of Title 66 of the Oklahoma Statutes.  
14 Any exercise of the power of eminent domain by a public trust  
15 pursuant to the provisions of this section shall be limited to the  
16 furtherance of public purpose projects involving revenue-producing  
17 utility projects of which the public trust retains ownership;  
18 provided, for public trusts in which the State of Oklahoma is the  
19 beneficiary the exercise of the power of eminent domain may also be  
20 used for public purpose projects involving air transportation.  
21 Revenue-producing utility projects shall be limited to projects for  
22 the transportation, delivery, treatment, or furnishing of water for  
23 domestic purposes or for power, including, but not limited to, the  
24 construction of lakes, pipelines, and water treatment plants or for

1 projects for rail transportation. Any public trust formed pursuant  
2 to this section which has a county as its beneficiary shall have the  
3 power to acquire, by use of eminent domain, any lands located either  
4 inside the county, or contiguous to the county pursuant to the  
5 limitations imposed pursuant to this section.

6 ~~J.~~ K. Provisions of this section shall not apply to entities  
7 created under Sections 1324.1 through 1324.26 of Title 82 of the  
8 Oklahoma Statutes.

9 ~~K.~~ L. Any trust created under this act, in whole or in part, to  
10 operate, administer or oversee any county jail facility shall  
11 consist of not less than five members and include a county  
12 commissioner and the county sheriff, or their designee, and one  
13 member appointed by each of the county commissioners. The appointed  
14 members shall not be elected officials.

15 SECTION 4. AMENDATORY 63 O.S. 2011, Section 3250.3, is  
16 amended to read as follows:

17 Section 3250.3. A. 1. The Oklahoma Legislature finds that the  
18 delivery of health care services to the public including medically  
19 indigent persons will be enhanced through the establishment of  
20 community hospital public trust authorities and the creation of  
21 hospital districts pursuant to the Oklahoma Community Hospitals  
22 Public Trust Authorities Act.

23 2. The purpose of the Oklahoma Community Hospitals Public Trust  
24 Authorities Act is to provide maximum utilization and efficient

1 administration in delivering health care services by hospital  
2 districts to the public including medically indigent persons, and to  
3 provide for supplemental Medicaid programs.

4 B. 1. A hospital or two or more hospitals ~~located within a~~  
5 ~~county or adjacent counties or located within a county or adjacent~~  
6 ~~counties~~ and a municipality may jointly create a public trust for  
7 the purposes of:

- 8 a. establishing a hospital district,
- 9 b. accessing and providing funding for coordination of  
10 the delivery of health care to the public, including,  
11 but not limited to, programs that contribute to  
12 serving the medically indigent,
- 13 c. improving access to health care by the public,
- 14 d. coordinating the development of new health services in  
15 the hospital district,
- 16 e. considering various alternatives for integrating the  
17 services of the health care delivery system in the  
18 hospital district, and
- 19 f. providing for and supplementing Medicaid programs.

20 2. A hospital participating in the creation of a public trust  
21 must:

- 22 a. expend at least Fifty Thousand Dollars (\$50,000.00)  
23 annually providing care for medically indigent  
24 persons, and

1           b.    have a system of inpatient and/or outpatient health  
2                    care, trauma care, or emergency care services that is  
3                    not limited to a specific modality of health care.

4           3.    The boundaries of a community hospital public trust  
5 authority should be coextensive with the boundaries of a county or a  
6 group of member counties.

7           4.    The county or counties, or the county or counties and  
8 municipality, in which a hospital district is established must  
9 approve and shall be the beneficiary of the public trust pursuant to  
10 the provisions of Sections 176 and 177 of Title 60 of the Oklahoma  
11 Statutes.

12          C.    The instrument creating the public trust shall provide at a  
13 minimum:

14          1.    The reasons for organizing and constituting a hospital  
15 district, including a statement that the community hospital public  
16 trust authority will comply with all applicable provisions of  
17 Sections 176 through 180.3 of Title 60 of the Oklahoma Statutes and  
18 the Oklahoma Community Hospitals Public Trust Authorities Act;

19          2.    A statement that the public trust shall be separate and  
20 independent from the affairs of the beneficiary in all matters or  
21 activities authorized by the written instrument creating the public  
22 trust;

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

1       4. The general patient loads of each hospital within the  
2 proposed hospital district and the anticipated number of medically  
3 indigent persons for whom medical services will be provided;

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

6       6. A statement that the proposed hospital district is embracing  
7 only those lands within the proposed boundaries specified by  
8 paragraph 5 of this subsection which can reasonably and economically  
9 be served in the foreseeable future;

10       7. Assurance that all hospitals located within the hospital  
11 district which meet the eligibility criteria can participate in the  
12 public trust;

13       8. For the appointment, succession, powers, duties, terms and  
14 manner of removal of trustees;

15       9. For the appointment of at least five trustees as follows:

16           a. the chief executive officers of the hospitals  
17 participating in the community hospital public trust  
18 authority and may include the chief executive officers  
19 of hospitals located within the hospital district,

20           b. (1) one county commissioner or their designee from  
21 each beneficiary county which the hospital  
22 district embraces, appointed by the commissioners  
23 of each such county, and  
24

1 (2) the chief administrative officer or his or her  
2 designee from a municipality in which the  
3 hospital district is situated, if such  
4 municipality is the beneficiary of the public  
5 trust, and

6 c. one member appointed by the Governor who has no direct  
7 affiliation with any hospital participating in the  
8 community hospital public trust authority; provided,  
9 that if pursuant to the provisions of this paragraph  
10 the Board will have less than five members, the  
11 Governor shall appoint additional members; and

12 10. The time and place of the regular meetings and the manner  
13 in which special meetings may be called. A community hospital  
14 public trust authority shall keep a complete record of all its  
15 proceedings.

16 D. As a condition precedent, each community hospital public  
17 trust authority must receive approval from the Attorney General that  
18 the public trust is in the proper form.

19 E. A certified copy of the public trust agreement must be filed  
20 with the Secretary of State and with the court clerk of each  
21 beneficiary county and municipality.

22 F. Each public trust established pursuant to the Oklahoma  
23 Community Hospitals Public Trust Authorities Act shall not be  
24

1 amended without a two-thirds (2/3) vote of approval of the trustees  
2 of such trust.

3 SECTION 5. This act shall become effective November 1, 2016.

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