

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 1336

By: Crain, Barrington and  
Fields of the Senate

6 and

7 Murdock of the House

8  
9 COMMITTEE SUBSTITUTE

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

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

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

1 As used in this act:

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

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

10 3. "Hospital district" means a designated geographical area  
11 established by a hospital trust.

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

15 A. 1. A hospital or two or more hospitals located within a  
16 county or adjacent counties, or located within a county or adjacent  
17 counties and a municipality may jointly create a public trust and  
18 subsidiary districts for the purposes of submitting to voters of  
19 each such county the question of whether to impose a tax not  
20 previously imposed, the revenues of which shall be used for the  
21 financial support of hospitals within each district.

22 2. The boundaries of a hospital trust should be coextensive  
23 with the boundaries of a county or a group of member counties.  
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1           3. The county or counties, or the county or counties and  
2 municipality in which a hospital trust is established must approve  
3 and shall be the beneficiary of the public trust pursuant to the  
4 provisions of Sections 176 and 177 of Title 60 of the Oklahoma  
5 Statutes.

6           B. The instrument creating the hospital trust shall provide at  
7 a minimum:

8           1. The reasons for organizing and constituting a hospital  
9 trust, including a statement that the hospital trust will comply  
10 with all applicable provisions of Sections 176 through 180.3 of  
11 Title 60 of the Oklahoma Statutes and the Oklahoma Community  
12 Hospital District Act;

13           2. A statement that the public trust shall be separate and  
14 independent from the affairs of the beneficiary in all matters or  
15 activities authorized by the written instrument creating the public  
16 trust;

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

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

21           5. A statement that the proposed hospital district is embracing  
22 only those lands within the proposed boundaries specified by this  
23 subsection which can reasonably and economically be served in the  
24 foreseeable future;

1       6. Assurance that all hospitals located within the hospital  
2 district which meet the eligibility criteria can participate in the  
3 public trust; and

4       7. For the appointment, succession, powers, duties, terms and  
5 manner of removal of trustees.

6       C. Each trust created pursuant to this act shall be governed by  
7 a board of directors. Each board shall contain at least seven (7)  
8 members and shall contain, at a minimum:

9           a. the county commissioner or his or her designee of each  
10 district within a participating county,

11           b. the elected chief executive or his or her designee of  
12 each participating municipality,

13           c. one layperson from each district represented by a  
14 county commissioner and appointed by the board of  
15 commissioners, and

16           d. one layperson from each participating municipality and  
17 appointed by the elected chief executive of the  
18 municipality.

19       D. Members of each board of directors shall elect a chair to  
20 preside over meetings of the board. Vacancies shall be filled in  
21 the same manner as the original appointment. The meetings of the  
22 board shall comply with the Oklahoma Open Meeting Act and Oklahoma  
23 Open Records Act.

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

4 F. A certified copy of the public trust agreement must be filed  
5 with the Secretary of State and with the court clerk of each  
6 beneficiary county and municipality.

7 G. Each hospital trust and its subsidiary districts shall  
8 comply with:

9 1. The annual budget provisions of the state requiring a  
10 balanced budget. A copy of the budget shall be submitted annually  
11 to the President Pro Tempore of the Senate, the Speaker of the House  
12 of Representatives, the Governor and to each beneficiary of the  
13 community hospital public trust authority;

14 2. The Public Competitive Bidding Act of 1974;

15 3. The Oklahoma Open Records Act;

16 4. The Oklahoma Open Meeting Act; and

17 5. The provisions of Sections 176 through 180.3 of Title 60 of  
18 the Oklahoma Statutes.

19 H. Each hospital trust shall provide for complete financial  
20 audits on all accounts of the trust and authorize periodic audits by  
21 an independent external auditing agency. Such audits shall be  
22 performed annually in a format approved by the State Auditor and  
23 Inspector. The audits shall be made in accordance with generally  
24 accepted auditing standards and government auditing standards.

1 Financial statements shall be prepared in accordance with generally  
2 accepted accounting principles. Such audits shall be submitted to  
3 the State Auditor and Inspector and to the beneficiary of the  
4 district for review.

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

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