STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

SENATE BILL 1336 By: Crain

AS INTRODUCED

An Act relating to hospital districts; providing definitions; authorizing creation of certain trusts for certain purposes; specifying certain boundaries; requiring certain approval; providing minimum requirements for certain instrument; providing for membership of certain Board; providing for chair; providing for filling of vacancies; requiring certain approval prior to creation of trusts; requiring submission of certain copies; directing certain compliance; requiring provision of audits by certain entities; specifying standards for audits; requiring submission to State Auditor and Inspector; 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:

As used in this act:

1. "Hospital" means a hospital as such term is defined by Section 1-701 of Title 63 of the Oklahoma Statutes;

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

3. “Hospital district” means a designated geographical area established by a hospital trust.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c. one layperson from each district represented by a county commissioner and appointed by the Board of Commissioners, and

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

D. Members of each Board of Directors shall elect a chair to preside over meetings of the Board. Vacancies shall be filled in the same manner as the original appointment. The meetings of the Board shall comply with the Oklahoma Open Meetings Act and Oklahoma Open Records Act.

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

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

G. Each hospital trust and its subsidiary districts 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 President Pro Tempore of the Senate, the Speaker of the House

of Representatives and 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.

H. Each hospital trust shall provide for complete financial audits on all accounts of the trust 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 district for review.

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

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