

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1269

By: Burns

AS INTRODUCED

An Act relating to hospitals; defining term; creating the Rural Hospital Replacement Grant Program; directing development of application process and scoring criteria; specifying certain selection criteria; limiting use of funds; restricting location of new hospital; creating the Rural Hospital Replacement Revolving Fund; specifying type of fund and source of monies; providing for expenditure of funds; authorizing promulgation of rules; providing for codification; providing an effective date; and declaring an emergency.

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 3241.21 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. As used in this section, "qualifying rural hospital" means a hospital that is:

1. Licensed by the State Department of Health;

2. Located in a county of this state that has:

a. a population of not greater than fifty thousand (50,000) as reported in the most recent Federal Decennial Census published by the United State Census Bureau, and

1 b. a poverty rate of not less than nineteen percent (19%)
2 as reported in the most recent Federal Decennial
3 Census published by the United State Census Bureau;
4 and

5 3. Is in a hazardous, unsafe, or derelict condition such that
6 renovation would be significantly more costly than demolition and
7 construction of a new hospital.

8 B. There is hereby created the Rural Hospital Replacement Grant
9 Program. The grant program shall be administered by the State
10 Department of Health for the purpose of providing funding to support
11 the construction of new hospitals to replace qualifying rural
12 hospitals.

13 C. The Rural Hospital Replacement Grant Program shall be
14 available to qualifying rural hospitals. The Department shall
15 develop an application process and a scoring criteria for evaluating
16 applicants. Awardees shall be selected based upon the severity of
17 the qualifying rural hospital's condition, availability of matching
18 funds for the project, and such other criteria as may be established
19 by the Department.

20 D. The governing entity of a qualifying rural hospital that
21 receives a grant under this section may only use grant funds for
22 costs directly related to demolition and construction of a new
23 hospital. The governing entity shall locate the new hospital as
24 close as possible to the qualifying rural hospital. In no event

1 shall the new hospital be located more than twenty (20) miles away
2 from the qualifying rural hospital.

3 E. There is hereby created in the State Treasury a revolving
4 fund for the State Department of Health to be designated the "Rural
5 Hospital Replacement Revolving Fund". The fund shall be a
6 continuing fund, not subject to fiscal year limitations, and shall
7 consist of all monies received by the Department from legislative
8 appropriations provided for the purpose of administering grants
9 under this section. All monies accruing to the credit of the fund
10 are hereby appropriated and may be budgeted and expended by the
11 Department for the purpose provided for in this subsection.
12 Expenditures from the fund shall be made upon warrants issued by the
13 State Treasurer against claims filed as prescribed by law with the
14 Director of the Office of Management and Enterprise Services for
15 approval and payment.

16 F. The State Commissioner of Health may promulgate rules as
17 necessary to implement this section.

18 SECTION 2. This act shall become effective July 1, 2024.

19 SECTION 3. It being immediately necessary for the preservation
20 of the public peace, health or safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

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24 59-2-2382

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