

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 ]  
10  
11

12 AUTHOR: Add the following House Coauthor: Sherrer

13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
entire bill and insert  
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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  
18 such taxation; exempting certain property from such  
taxation; requiring certain organization of trusts;  
19 providing requirements for trust instruments;  
requiring trust board of directors; providing for  
20 size and characteristics of such board; providing  
for election and appointment of directors; making  
21 such boards subject to the Oklahoma Open Meeting Act  
and Oklahoma Open Records Act; requiring certain  
22 Attorney General approval; requiring certain filings  
of trust agreement; requiring a balanced budget;  
23 requiring certain submissions of annual trust  
budgets; requiring certain financial audits;  
24 requiring certain submissions of financial audit

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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1 Passed the House of Representatives the 12th day of April, 2016.

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4 Presiding Officer of the House of  
5 Representatives

6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2016.

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8  
9 Presiding Officer of the Senate

1 ENGROSSED SENATE  
2 BILL NO. 1336

By: Crain, Barrington and  
Fields of the Senate

3 and

4 Murdock of the House

5  
6 [ hospital districts - creation of certain trusts -  
7 minimum requirements - audits - codification -  
8 effective date ]

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

10 SECTION 4. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 7302 of Title 63, unless there  
12 is created a duplication in numbering, reads as follows:

13 As used in this act:

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

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

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

20 SECTION 5. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 7303 of Title 63, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. 1. A hospital or two or more hospitals located within a  
24 county or adjacent counties, or located within a county or adjacent



1 counties and a municipality may jointly create a public trust and  
2 subsidiary districts for the purposes of submitting to voters of  
3 each such county the question of whether to impose a tax not  
4 previously imposed, the revenues of which shall be used for the  
5 financial support of hospitals within each district.

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

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

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

15 1. The reasons for organizing and constituting a hospital  
16 trust, including a statement that the hospital trust will comply  
17 with all applicable provisions of Sections 176 through 180.3 of  
18 Title 60 of the Oklahoma Statutes and the Oklahoma Community  
19 Hospital District Act;

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

24

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

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

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

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

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

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

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

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

21           c. one layperson from each district represented by a  
22 county commissioner and appointed by the Board of  
23 Commissioners, and  
24

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

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

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

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

15          G.   Each hospital trust and its subsidiary districts shall  
16   comply with:

17          1.   The annual budget provisions of the state requiring a  
18   balanced budget.  A copy of the budget shall be submitted annually  
19   to the President Pro Tempore of the Senate, the Speaker of the House  
20   of Representatives and the Governor and to each beneficiary of the  
21   community hospital public trust authority;

22          2.   The Public Competitive Bidding Act of 1974;

23          3.   The Oklahoma Open Records Act;

24          4.   The Oklahoma Open Meeting Act; and

1           5. The provisions of Sections 176 through 180.3 of Title 60 of  
2 the Oklahoma Statutes.

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

13           SECTION 6. This act shall become effective November 1, 2016.

14           Passed the Senate the 7th day of March, 2016.

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Presiding Officer of the Senate

18           Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
19 2016.

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Presiding Officer of the House  
of Representatives