

ENROLLED SENATE
BILL NO. 1771

By: Morgan, Mazzei and Adelson
of the Senate

and

Benge, Lamons, Trebilcock,
Winchester, Sullivan,
Peters, Smaligo, Askins,
Coody, Denney, Jones,
McDaniel, Perry, Peterson
(Pam), Peterson (Ron),
Shumate, Tibbs and
Braddock of the House

An Act relating to Health care; creating the Oklahoma State University Medical Authority Act; providing short title; defining terms; providing purposes of Act; expressing legislative findings; providing for Board of Regents of Oklahoma Agricultural and Mechanical Colleges to retain certain power; requiring certain hospitals to be subject to certain requirements; authorizing certain hospitals to participate in certain programs; requiring certain hospitals to provide certain services; creating the Oklahoma State University Medical Authority; providing for powers, authority and membership; providing for appointment, qualifications, removal and compensation of members; providing for quorum and officers of Authority; exempting Authority from certain act and making authority subject to certain acts and program; providing for powers and duties of authority; requiring certain report; reaffirming power of Oklahoma Health Care Authority to determine certain criteria and standards; imposing certain requirements on agreements and obligations of the Oklahoma State University Medical Authority; providing for investment of certain funds; creating certain depository account; requiring Authority to be subject to certain bond coverage; providing for issuance, payment of, interest rate, maturity, form, validity, qualities and type of sale of bonds; requiring approval of certain fees and expenses, providing for replacement of certain bonds, allowing issuance of bonds without certain consent; authorizing refunding of bonds; requiring certain involvement by Attorney General in issuance of bonds of Authority; providing for validation proceeding for bonds; providing for certain legal characteristics of bonds; requiring certain report; creating a revolving fund; providing for expenditure of monies in the fund; creating a revolving fund; providing for

expenditure of monies in the fund; providing for deposit of certain monies in the fund; requiring certain audit; authorizing certain traffic and parking regulation by Authority; requiring regulation be accomplished pursuant to certain procedures; authorizing appointment of campus police officers; authorizing Authority to place certain persons on payroll and provide certain benefits; approving creation of certain trust contingent on certain conditions; requiring certain provisions to be included in certain agreements; requiring approval of contingency review board for certain agreement; authorizing certain declaratory judgment action in Supreme Court; requiring certain notice; defining term; authorizing certain lease agreements; authorizing certain transfer of property; providing for reversion of property in certain circumstance; authorizing certain agreement; creating revolving fund; providing for codification; 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 3271 of Title 63, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma State University Medical Authority Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3272 of Title 63, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma State University Medical Authority Act:

1. "Graduate Medical Education" or "GME" means educational programs meeting the guidelines of the American Osteopathic Association offered as an extension of the Oklahoma State University Center for Health Sciences, College of Osteopathic Medicine in cooperation with a hospital or other healthcare provider;

2. "Hospital" means a hospital as such term is defined by Section 1-701 of Title 63 of the Oklahoma Statutes and facilities within the definition of "ambulatory surgical center" as defined in Section 2657 of Title 63 of the Oklahoma Statutes;

3. "Patient" means an individual receiving care from an Oklahoma State University Center for Health Sciences intern, resident or full or part-time physician trainer;

4. "Declaration of necessity" means an official action of the Oklahoma State University Medical Authority to fulfill the terms of an Academic Affiliation or other agreement or to provide facilities,

financing or any other general support to enhance the stability, quality or otherwise furtherance of the graduate medical education programs of the Oklahoma State University Center for Health Sciences; and

5. "Academic Affiliation Agreement" means an agreement between the Oklahoma State University Center for Health Sciences and an entity providing facilities, equipment and support for the graduate medical education programs of the Oklahoma State University Center for Health Sciences.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3273 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The purposes of the Oklahoma State University Medical Authority Act are to provide for an effective and efficient administration, to ensure a dependable source of funding, and to effectuate the mission and purposes of the Oklahoma State University Medical Authority. The mission and purposes of the Oklahoma State University Medical Authority are to support and upon a declaration of necessity, to serve as teaching and training facilities for students enrolled at the Oklahoma State University Center for Health Sciences, upon a declaration of necessity, to acquire and provide a site for conducting medical and biomedical research by faculty members of the Oklahoma State University Center for Health Sciences and to facilitate and upon a declaration of necessity, to provide care for the patients of Oklahoma State University Center for Health Sciences physician trainers. The Oklahoma State University Medical Authority shall maintain a close affiliation with the Oklahoma State University Center for Health Sciences and shall coordinate their operations and activities in a cooperative manner.

B. The Legislature finds that the needs of the citizens of this state and the needs of the Oklahoma State University Center for Health Sciences will be best served by an Authority charged with the mission of supporting the Graduate Medical Education programs of the Oklahoma State University Center for Health Sciences, entering into Academic Affiliation Agreements in support of Oklahoma State University physician and healthcare training programs, operating or leasing the operations of the teaching hospital or hospitals for the benefit of the Oklahoma State University Center for Health Sciences and providing care for the patients of Oklahoma State University physician trainers.

C. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges shall retain full power to govern the personnel, curriculum and facilities of the Oklahoma State University Center for Health Sciences.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3274 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Any hospital or hospitals purchased, leased or constructed by the Oklahoma State University Medical Authority shall be operated as general hospitals and shall be licensed by the State Commissioner

of Health, and shall, as far as possible, meet the standards, requirements and essentials of the Joint Commission on Accreditation of Health Care Organizations and the American Osteopathic Association or, alternatively, meet Medicare certification by the Center for Medicare and Medicaid Services. Provided, the State Commissioner of Health may waive any such standards, requirements and essentials as the Commissioner deems necessary.

B. Any such hospitals may provide services and receive payments under Titles XVIII and XIX of the federal Social Security Act, and may participate in other federal medical programs.

C. Any such hospitals shall be available as teaching and training hospitals for the colleges of the Oklahoma State University Center for Health Sciences, for other health and educational facilities and shall provide indigent patient care.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3275 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma State University Medical Authority, an agency of the State of Oklahoma, a body corporate and politic, with powers of government and with the authority to exercise the rights, privileges and functions as specified in the Oklahoma State University Medical Authority Act. The Oklahoma State University Medical Authority is covered by the Governmental Tort Claims Act.

B. The Authority shall consist of seven (7) members as follows:

1. One member shall be appointed by the Governor, with the advice and consent of the Senate;

2. One member shall be appointed by the President Pro Tempore of the Senate;

3. One member shall be appointed by the Speaker of the House of Representatives;

4. One member shall be the Chief Executive Officer of the Oklahoma Health Care Authority, or a designee;

5. One member shall be the President of the Oklahoma State University Center for Health Sciences;

6. One member to be appointed by the President of Oklahoma State University who shall be the Chief Executive Officer of any entity, other than the Oklahoma State University Medical Trust, with whom the Oklahoma State University College of Osteopathic Medicine has entered into an Academic Affiliation Agreement to serve as the primary site of practice and teaching hospital for medical residency programs, or a designee; and

7. One member shall be the Chief Executive Officer of the Oklahoma State University Medical Authority who shall be an ex officio, nonvoting member.

C. All appointed members shall be appointed by June 1, 2006. Of the members of the Authority initially appointed, the member appointed by the President Pro Tempore of the Senate shall serve a term of three (3) years; the member appointed by the Speaker of the House of Representatives shall serve a term of two (2) years; and the member appointed by the Governor shall serve a term of one (1) year. Successors shall be appointed for terms of three (3) years.

D. Each member of the Authority, prior to appointment, shall be a resident of the state and a qualified elector.

E. Members shall be removable only for cause by the appointing authority. Any vacancy occurring on the Authority shall be filled by the original appointing authority.

F. The members of the Authority shall serve without compensation but may be reimbursed for all actual and necessary travel expenses incurred in performance of their duties in accordance with the provisions of the State Travel Reimbursement Act.

G. All members of the Authority and administrative personnel of the Authority shall be subject to the provisions of the Oklahoma Ethics Commission Rules, Chapter 62 Appendix of Title 74 of the Oklahoma Statutes.

H. A quorum of the Authority shall be four (4) voting members. The Authority shall elect a chair and vice chair from among its members. The chair must be an appointed member of the Authority.

I. The Authority shall be exempt from the Oklahoma Central Purchasing Act but shall be subject to the purchasing policies of Oklahoma State University Center for Health Sciences and shall be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act, except as otherwise provided by this act. Any information submitted to or compiled by the Authority except for budgetary information related to appropriations or the appropriations process with respect to the marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of the Authority, persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided the information or which is the subject of the information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Authority.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3276 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. On and after July 1, 2006, the Authority shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;
2. Adopt an official seal;
3. Maintain an office at a location to be determined by the Authority;
4. Sue and be sued, subject to the provisions of the Governmental Tort Claims Act;
5. Enter into cooperative agreements with the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges for educational programs, professional staffing, research and other medical activities;
6. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the Oklahoma State University Medical Authority Act;
7. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to maintain and operate hospitals or clinics, or to discharge its duties and responsibilities or to make any of its powers effective;
8. Acquire by purchase, lease, gift, or by any other manner, and to maintain, use and operate or to contract for the maintenance, use and operation of or lease of any and all property of any kind, real, personal, or mixed or any interest therein unless otherwise provided by the Oklahoma State University Medical Authority Act;
9. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary and to prescribe their duties and to fix their compensation;
10. Accept grants from the United States of America, or from any corporation or agency created or designed by the United States of America, and, in connection with any grant, to enter into such agreements as the United States of America or such corporation or agency may require;
11. Make and issue bonds and to pledge revenues of the Authority subject to the Oklahoma Bond Oversight and Reform Act. Nothing in the Oklahoma State University Medical Authority Act shall authorize the issuance of any bonds of the Authority payable other than from revenues of the Authority. Funds appropriated to the Authority shall not be used for issuance of bonds. Authority revenue bonds issued under the provisions of this act shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided. Such revenue bonds shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political

subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds. The maximum amount of outstanding bonds at any time shall not exceed Fifty Million Dollars (\$50,000,000.00) unless a greater amount is expressly approved by the Legislature by a concurrent resolution adopted prior to commencing any action in anticipation of issuance of revenue bonds of the Oklahoma State University Medical Authority for the greater amount;

12. Provide for complete financial audits on all accounts of the Oklahoma State University Medical Authority and to 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, and all such audits shall be submitted to the State Auditor and Inspector for review. Such 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. In addition to said audits, whenever the State Auditor and Inspector deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the Authority, the State Auditor and Inspector shall conduct a special audit of the Authority;

13. Engage in long-term planning for the operation and management of the Authority;

14. Establish petty cash funds and provide for appropriate accounting procedures and controls;

15. Contract with national manufacturers and distributors of drugs and medical supplies when appropriate to carry out the purposes of this act;

16. Do all other things necessary and proper to implement the provisions of the Oklahoma State University Medical Authority Act;

17. Waive, by such means as the Authority deems appropriate, the exemption from federal income taxation of interest on the Authority's bonds provided by the Internal Revenue Code of 1986, as amended, or any other federal statute providing a similar exemption;

18. Arrange for guaranties or insurance of its bonds by the federal government or by any private insurer, and to pay any premiums therefor; and

19. Make a declaration of necessity as provided in Section 3 of this act. The Authority may, in its exclusive judgment, make a declaration of necessity when such a declaration is deemed necessary to effectuate the purposes of the Oklahoma State University Medical Authority Act.

B. The Oklahoma State University Medical Authority shall be subject to the Oklahoma Budget Law of 1947.

C. The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted to the Office of State Finance and to the Directors of the House of Representatives Fiscal Division and the Senate Fiscal Division.

D. The Authority shall be subject to the professional risk management program provided for in Section 85.58A of Title 74 of the Oklahoma Statutes.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3277 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Health Care Authority shall continue to determine eligibility criteria and standards for Medicaid recipients.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3278 of Title 63, unless there is created a duplication in numbering, reads as follows:

All agreements and obligations undertaken, as permitted under this section, by the Oklahoma State University Medical Authority shall be for a public purpose. In addition to any other limitations, conditions or restrictions provided by law, the following conditions shall apply to contractual agreements entered into pursuant to this section:

1. Private and public funds shall be accounted for separately; and
2. The state shall not assume any liability for private entities.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3279 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The funds deposited in the Oklahoma State University Medical Authority Agency Special Account created in subsection B of this section shall be invested by the State Treasurer in the manner provided for by law. The return on such investments shall be credited to the accounts of the Authority.

B. There is hereby created in the State Treasury an Official Depository Account for the Oklahoma State University Medical Authority, to be designated the Oklahoma State University Medical Authority Agency Special Account. The Official Depository Account shall consist of an agency clearing account and an agency special account. All revenues, except federal entitlements and state appropriations, generated by the Oklahoma State University Medical Authority shall be deposited in these accounts.

C. The Authority shall be subject to blanket bond coverage as provided in Sections 85.26 through 85.31 of Title 74 of the Oklahoma Statutes, provided the Authority shall be authorized to purchase

increased amounts of fidelity bond coverage for employees for whom it is deemed necessary by the Authority. When the amount listed in Section 85.29 of Title 74 of the Oklahoma Statutes is deemed inadequate, the cost of increased coverage shall be borne by the Authority.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3280 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Subject to the provisions of paragraph 11 of subsection A of Section 6 of this act, the Oklahoma State University Medical Authority may provide by resolution, from time to time, for the issuance of revenue bonds for its lawful purposes, in such amount or amounts as are necessary, incidental or convenient to the exercise of powers, rights, privileges and functions conferred upon it by the Oklahoma State University Medical Authority Act or other law. The principal of and interest on any indebtedness shall be payable solely from the revenues of the Authority and such other funds as may be provided by law for such payment. The Authority may provide for credit enhancement as additional security or liquidity for its bonds and enter into such agreements as may be necessary or appropriate to provide for the repayment of any funds advanced by the provider of any such credit enhancement including the payment of any fees and expenses incurred in connection therewith. The bonds of each issue shall bear interest at fixed or variable rates and shall bear an average interest rate not to exceed eleven percent (11%) per annum, shall mature at such time or times not exceeding thirty (30) years from their date or dates of issue, as may be determined by the Authority, and may be made redeemable before maturity at the option of the Authority, at such time or times and at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of the bonds and the manner of execution thereof, and shall fix the denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank and trust company within or without this state. If any officer whose signature or facsimile of whose signature appears on any bonds shall cease to be said officer before the delivery of the bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the person had remained in office until such delivery. All bonds issued pursuant to the provisions of the Oklahoma State University Medical Authority Act shall have all the qualities and incidences of negotiable instruments subject to the laws of this state. The Authority may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interests of the state. If the bonds are not sold by competitive bid, the sale must be approved by the State Bond Advisor.

B. All fees and expenses of bond sales must be approved by the State Bond Advisor and the Bond Oversight Commission. Prior to the preparation of definitive bonds, the Authority, subject to like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds which have been executed and are available for delivery. The Authority may also

provide for the replacement of any bonds which have become mutilated or which have been destroyed or lost. Except as otherwise provided by Section 14 of this act, bonds may be issued pursuant to the provisions of the Oklahoma State University Medical Authority Act without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things than those proceedings, conditions, or things that are specifically required by the Oklahoma State University Medical Authority.

C. The Authority may, by resolution, provide for the issuance of refunding bonds then outstanding, including the payment of any redemption premium, any interest accrued to the date of redemption of such bonds, and for incurring additional indebtedness for its lawful purposes. The issuance of such bonds shall be governed by the provisions of the Oklahoma State University Medical Authority Act.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3281 of Title 63, unless there is created a duplication in numbering, reads as follows:

Before any bond shall be issued and delivered by the Oklahoma State University Medical Authority, a certified copy of the proceedings for the issuance thereof, together with any other information which the Attorney General of the State of Oklahoma may require as the Bond Commissioner of the State of Oklahoma, shall be submitted to the Attorney General. If the Attorney General shall find that such bonds have been issued in accordance with law, he shall approve such bonds and execute a certificate to that effect. The Attorney General shall file such certificates in the office of the State Auditor and Inspector, and the certificates shall be recorded in a record kept for that purpose. All bonds approved by the Attorney General, and issued in accordance with the approved proceedings, shall be valid and binding obligations of the Authority and shall be incontestable for any course from and after the date of such approval.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3282 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Medical Authority or the Oklahoma State University Medical Trust may file an application with the Supreme Court of the State of Oklahoma for approval of any bonds to be issued under the provisions of the Oklahoma State University Medical Authority Act, and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine such application. The Supreme Court shall give such applications precedence over the other business of the Court and consider and determine the validity of the bonds and consider the application and any protest which may be filed thereto. Notice of the hearing on each application shall be given by notice published in a newspaper of general circulation in this state that on a day named the Authority or the Trust will ask the Court to hear the application and approve the bonds. Such notice shall inform all interested parties that they may file a protest against the issuance of the

bonds, may be present at the hearing, and may contest the legality thereof. Such notice shall be published one time, not less than ten (10) days prior to the date named for the hearing and the hearing may be adjourned from time to time in the discretion of the Court. If the Court is satisfied that the bonds have been properly authorized in accordance with the Oklahoma State University Medical Authority Act, and that when issued such bonds will constitute valid obligations in accordance with their terms, the Court shall render its written opinion approving the bonds and shall fix the time within which the petition for rehearing may be filed. The decision of the Court shall be a judicial determination of the validity of the bonds, shall be conclusive as to the Authority of the Trust, its officers and agents, and thereafter the bonds so approved and the revenues pledged to their payment shall be incontestable in any court in the State of Oklahoma.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3283 of Title 63, unless there is created a duplication in numbering, reads as follows:

Revenue bonds of the Oklahoma State University Medical Authority issued pursuant to the provisions of the Oklahoma State University Medical Authority shall not constitute a debt of the state or of any political subdivision thereof, or a pledge of the full faith and credit of the state, or of any political subdivision thereof, but such bonds shall be payable solely from the funds provided therefor. The forms of the bonds so issued shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the Authority pledged to the payment of such bonds and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or interest on such bonds. The bonds so issued shall be exempt from taxation by the State of Oklahoma and any political subdivision thereof, including the income therefrom, and any gain from the sale thereof.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3284 of Title 63, unless there is created a duplication in numbering, reads as follows:

Bonds issued pursuant to provisions of the Oklahoma State University Medical Authority Act are hereby made securities in which all public officers and public boards, agencies and instrumentalities of the state and its political subdivisions, all banks, trust companies, trust and loan associations, investment companies, and others carrying on a banking business, and all insurance companies and insurance associations, and others carrying on an insurance business, may legally and properly invest. Such bonds are also approved as collateral security for the deposit of any public funds and for the investment of trust funds.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3285 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Medical Authority shall submit an annual report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Such report shall be submitted in accordance with the requirements for financial statement audits in Section 212A of Title 74 of the Oklahoma Statutes, and shall include an account of the operations and actions of the Authority and an accounting of all revenue received and disbursed by the Authority for the previous fiscal year. The report shall include an accounting of expenses related to each of the following:

1. Education and training of students of the Oklahoma State University, resident physicians and others;
2. Care and treatment of patients for whom the Authority receives any form of state or federal reimbursement; and
3. Research.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3286 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Medical Authority, to be designated the "Oklahoma State University Medical Authority Disbursing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues and federal entitlements. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Medical Authority.

B. Following the execution of a lease of real properties under the jurisdiction of the Oklahoma State University Medical Authority to the Oklahoma State University Medical Trust pursuant to Section 22 of this act, monies from the fund may be expended by the Authority for the fiscal year ending in the year the lease is executed, for the operations of the Authority after the execution of the lease to the Oklahoma State University Medical Trust for payment of any costs to the Authority associated with the transfer of operations of facilities under the jurisdiction of the Authority, and legal obligations of the Authority.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3287 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Medical Authority, to be designated the "Oklahoma State University Medical Authority Marketing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma State University Medical Authority pursuant to the provisions of this section. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Medical Authority for the purpose of marketing research and planning, public education,

special events customary to the health care industry, advertising and promotion of special and general services provided or sponsored by the Oklahoma State University Medical Authority and such other purposes specifically authorized by the Legislature. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. An amount equal to one-tenth of one percent (1/10 of 1%) of the total annual operating budget of the Oklahoma State University Medical Authority and such other funds as may be specifically designated for deposit to the fund shall be deposited in the Oklahoma State University Medical Authority Marketing Revolving Fund.

C. The Oklahoma State University Medical Authority Marketing Revolving Fund shall be audited annually by the State Auditor and Inspector. The Oklahoma State University Medical Authority shall reimburse the State Auditor and Inspector from the Oklahoma State University Authority Marketing Revolving Fund for any expenses incurred in auditing said fund.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3288 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma State University Medical Authority may regulate traffic and the parking of vehicles on property used by or for the Oklahoma State University Medical Authority. Such regulations shall be in writing, and copies thereof, including amendments thereto, shall be filed in the office of the Secretary of State, and in the office of the city clerk of the City of Tulsa. The municipal court of the City of Tulsa shall have jurisdiction to hear and determine prosecutions for violations of such regulations, which may be prosecuted and shall be punishable as violations of ordinances of the City of Tulsa. The Authority may cause to be removed, and may enter into contracts for such purpose, any vehicle parked in violation of such regulations.

B. The Authority may appoint campus police officers and guards for buildings and grounds of the Oklahoma State University Medical Authority in the same manner and with the same powers as campus police appointed by governing boards of state institutions for higher education under the provisions of Section 360.15 et seq. of Title 74 of the Oklahoma Statutes, and who may prevent or stop improper conduct and trespass in and upon such buildings and grounds, and make arrests and prosecute any and all persons arrested for such improper conduct and trespassing. Employees of the Authority serving as police officers shall be certified as provided for in Section 3311 of Title 70 of the Oklahoma Statutes.

C. The Authority and the City of Tulsa may enter into a cooperative agreement to effectuate the provisions of this section.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3289 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Medical Authority is authorized to place resident physicians of the Oklahoma State University Center for Health Sciences on the Oklahoma State University Medical Authority payroll, and is further authorized to acquire health, life, and dental insurance for such residents. Such residents shall not be considered employees of the Authority and shall not be eligible to participate in the Oklahoma Public Employees Retirement System. This section shall not preclude the right of the Oklahoma State University Medical Authority to terminate, for cause, the practicing privileges of any resident physician within the Oklahoma State University Medical Authority.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3290 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The State of Oklahoma expressly approves the creation of a public trust to be named the "Oklahoma State University Medical Trust", of which the State of Oklahoma shall be the beneficiary, provided such approval shall be contingent upon satisfaction of the following conditions:

1. Finalizing of the declaration of trust;
2. Adoption of the declaration of trust by an official action of the trustees of the Trust;
3. Submission of the Trust for acceptance of the beneficial interest and approval as required by Section 177 of Title 60 of the Oklahoma Statutes; and
4. The approved declaration of trust shall:
 - a. clearly state that the principal purpose of the Oklahoma State University Medical Trust is to effectuate the purposes of the Oklahoma State University Medical Authority as established in the Oklahoma State University Medical Authority Act,
 - b. except as otherwise provided by law, provide that the title to real property held by the Oklahoma State University Medical Authority shall not be transferred, conveyed, or assigned to the Oklahoma State University Medical Trust without the express consent of the Legislature as the governing entity of the beneficiary pursuant to Section 176 of Title 60 of the Oklahoma Statutes,
 - c. provide that any indebtedness incurred by the Oklahoma State University Medical Trust or the trustees of the Trust shall not be secured with or create a lien upon real property to which title is held by the Oklahoma State University Medical Authority and shall not involve the bonding capacity of the Oklahoma State University Medical Authority,

- d. provide that the trust estate of the Oklahoma State University Medical Trust shall not include fee simple title to real property owned by the Oklahoma State University Medical Authority,
- e. clearly state that the creation of the Oklahoma State University Medical Trust shall not in any way reduce, limit or interfere with the power granted to the Oklahoma State University Medical Authority in the Oklahoma State University Medical Authority Act,
- f. provide that any lease or contractual agreement involving use of the real property to which title is held by the Oklahoma State University Medical Authority and any improvements thereto shall contain a provision and covenants requiring the proper maintenance and upkeep of the real property and improvements,
- g. provide that the trustees of the Oklahoma State University Medical Trust shall be the acting members of the Oklahoma State University Medical Authority as provided in the Oklahoma State University Medical Authority Act, and
- h. provide that the trustees of the Oklahoma State University Medical Trust shall have the duty to submit an annual report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The report shall be submitted by January 1 of each year and shall include an account of all operations, actions of the Trust, account of all revenue received and disbursed by the Trust for the previous fiscal year. The report shall also provide a complete accounting of how the Trust meets its primary function of effectuating the purposes of the Oklahoma State University Medical Authority, as established in the Oklahoma State University Medical Authority Act.

B. The Oklahoma State University Medical Trust shall require any agreements which it enters into with any entity pursuant to Section 22 of this act for the operations of facilities leased by the Oklahoma State University Medical Authority to the Trust to include, but not be limited to:

1. The inclusion of all the members of the Trust, except the Chief Executive Officer of the Oklahoma Health Care Authority, as five of the six members representing the State of Oklahoma in a governing committee, and the sixth member of the governing committee representing the State of Oklahoma to be designated by the President of Oklahoma State University;

2. Binding arbitration shall not be required by such agreements for resolving issues under consideration by the governing committee; and

3. Major decisions shall be resolved by the governing committee, and approval of any major decision by the governing committee must include the approval of a majority of the state appointees and the approval of a majority of the private entity appointees to the governing committee. Major decisions shall include:

- a. approval of the operating and capital budgets,
- b. sale or disposition of assets over Two Hundred Fifty Thousand Dollars (\$250,000.00),
- c. the termination or transfer or material addition or material diminution of medical services at the Oklahoma State University Medical Center related to and part of a teaching program of the Oklahoma State University Center for Health Sciences, and
- d. other major decisions as may be agreed upon by the Trust and the private entity.

C. To the extent it is determined by legislative enactment that the Trust has expended funds in contravention of its mission as set forth in this section, the Trust shall remit, upon thirty (30) days' written notice from the Oklahoma State University Medical Authority, such sum or sums to the Oklahoma State University Medical Authority.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3291 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Contingent upon the creation of the Oklahoma State University Medical Trust as provided in Section 20 of this act, the Trust, prior to acceptance, shall submit to the Contingency Review Board for review the proposed agreement regarding the lease and operations of any hospital or hospitals owned by the Oklahoma State University Medical Authority to any entity authorized to transact business in the state and an independent statement as to the fairness of said proposed agreement for the State of Oklahoma. The Contingency Review Board shall upon receipt of the proposed agreement meet within fifteen (15) business days to review the proposed agreement; and unless the Contingency Review Board disapproves the proposed agreement, the agreement may be executed but no lease of the hospital or hospitals shall become effective until after Supreme Court approval pursuant to subsection B of this section.

B. 1. If a proposed agreement is not disapproved by the Contingency Review Board pursuant to subsection A of this section, the Oklahoma State University Medical Authority and Oklahoma State University Medical Trust, within thirty (30) calendar days after the time for Contingency Review Board action has expired, may file a petition with the Supreme Court of Oklahoma for a declaratory judgment determining the validity of the proposed agreement. The review of the Court shall be based upon the exercise of any of the powers, rights, privileges, and functions conferred upon the

authority or the Oklahoma State University Medical Trust, as applicable, under the Oklahoma State University Medical Authority Act and Oklahoma laws. Exclusive original jurisdiction is conferred upon the Supreme Court to hear and determine such petitions. The Supreme Court shall give such petitions precedence over other business of the Court except habeas corpus proceedings.

2. Notice of the hearing of such a petition shall be given by a notice published in a newspaper of general circulation in this state that on a day specified the Supreme Court will hear the petition to approve the proposed agreement and enter a declaratory judgment. The notice shall be published one time not less than ten (10) days prior the date specified for the hearing. The notice shall inform property owners, taxpayers, citizens and all persons having or claiming any right, title, or interest in the proposed agreement or properties or funds to be affected by the implementation of the proposed agreement, or affected in any way thereby, that they may file protests against the approval of the proposed agreement, and be present at the hearing to contest the legality of the proposed agreement. The hearing may be adjourned from time to time at the discretion of the Court.

3. If the Court is satisfied that the proposed agreement is in accordance with the Oklahoma State University Medical Authority Act and Oklahoma laws, the Court shall enter a declaratory judgment approving and declaring the proposed agreement to be valid and conclusive as to the Authority, the Trust, and all other parties to the proposed agreement; and, upon petition of the Authority, shall issue an order permanently enjoining all persons described in the notice required by this subsection from thereafter instituting any action or proceeding contesting the validity of the proposed agreement. A declaratory judgment rendered pursuant to this subsection shall have force and effect of a final judgment or decree and shall be incontestable in any court in this state.

4. As used in the Oklahoma State University Medical Authority Act, "proposed agreement" means one or more contracts regarding the lease and operations of any hospital or hospitals owned by the Oklahoma State University Medical Authority and all other agreements contemplated by or referred to in the contract regarding such lease and operations.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3292 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Contingent upon the creation of the Oklahoma State University Medical Trust as provided in Section 20 of this act, the Oklahoma State University Medical Authority is hereby authorized to lease, for a term of not more than fifty (50) years, renewable at the option of the Authority, all real property owned by the Authority and any other sites under the control of the Authority to the Oklahoma State University Medical Trust. Any lease agreement made pursuant to this section shall be contingent upon:

1. Prior review by the Attorney General of any contractual agreement between the Oklahoma State University Medical Trust and

any entity authorized to transact business in the State of Oklahoma regarding the lease and operations. The Attorney General shall disapprove the agreement if it is determined that provisions of the agreement are not consistent with state law; and

2. The execution of an operating and lease agreement between the Oklahoma State University Medical Trust and any entity authorized to transact business in the State of Oklahoma.

B. Concurrent with the execution of a lease of real property from the Oklahoma State University Medical Authority to the Oklahoma State University Medical Trust as provided in subsection A of this section, the Authority is authorized to transfer title to and possession of all tangible and intangible personal property under its control to the Trust. In any contractual agreement regarding the lease and operations of a hospital or hospitals between the Oklahoma State University Medical Trust and any entity authorized to transact business in the State of Oklahoma, the Trust is authorized to sell or otherwise convey to such entity all tangible and intangible personal property the Trust may receive from the Oklahoma State University Medical Authority. Any contract or other agreement which purports to exercise the powers authorized by this subsection is subject to review by the Contingency Review Board, as specified in Section 21 of this act.

C. If a contracting entity fails to take possession of the leased premises, or abandons or surrenders possession of the leased premises other than to a state agency, at any time during the term of the lease between the Oklahoma State University Medical Trust and the contracting entity, the interest in the real property leased to the Oklahoma State University Medical Trust by the Oklahoma State University Medical Authority shall revert to and be the sole and exclusive property of the Oklahoma State University Medical Authority.

D. Contingent upon the execution of an agreement between the Oklahoma State University Medical Trust and any entity authorized to transact business in the State of Oklahoma, as specified in subsection A of this section, the Oklahoma State University Medical Authority is authorized to enter into an agreement for such entity to provide patient care services and perform other related duties imposed upon the Oklahoma State University Medical Authority by law. Such an agreement between the Oklahoma State University Medical Authority and such entity is exempt from the requirements of the Oklahoma Central Purchasing Act and any rules adopted by the Oklahoma State University Medical Authority pursuant to the Administrative Procedures Act. The governing committee created by the agreement and the Oklahoma State University Medical Trust shall be subject to the Open Meeting Act and the Open Records Act to the same extent and with the same exceptions as provided to for the Oklahoma State University Medical Authority in Section 5 of this act and shall be exempt from the Oklahoma Central Purchasing Act.

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3293 of Title 63, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Medical Trust to be designated the "Oklahoma State University Medical Trust Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Medical Trust.

SECTION 24. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 25th day of May, 2006.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2006.

Presiding Officer of the House
of Representatives