

1 ENGROSSED SENATE  
2 BILL NO. 499

By: Standridge of the Senate

3 and

4 McCall and McEntire of the  
5 House

6 [ public health - hospital trusts - taxation - board  
7 of directors - Oklahoma Open Meeting Act and Oklahoma  
8 Open Records Act - codification - effective date ]  
9

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

11 SECTION 1. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 7303 of Title 63, unless there  
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section:

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

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

23 3. "Hospital district" means a designated geographical area  
24 established by a hospital trust.

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

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

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

15 C. The instrument creating the hospital trust shall provide at  
16 a minimum:

17 1. The reasons for organizing and constituting a hospital  
18 trust, including a statement that the hospital trust will comply  
19 with all applicable provisions of Sections 176 through 180.4 of  
20 Title 60 of the Oklahoma Statutes and the Oklahoma Community  
21 Hospital District Act;

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

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

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

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

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

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

16 D. Each trust created pursuant to this section shall be  
17 governed by a board of directors. Each board shall contain at least  
18 seven (7) members and shall contain, at a minimum:

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

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

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1 c. one layperson from each district represented by a  
2 county commissioner and appointed by the board of  
3 commissioners, and

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

7 E. Members of each board of directors shall elect a chair to  
8 preside over meetings of the board. Vacancies shall be filled in  
9 the same manner as the original appointment. The meetings of the  
10 board shall comply with the Oklahoma Open Meeting Act and Oklahoma  
11 Open Records Act.

12 F. As a condition precedent, each trust created pursuant to  
13 this section must receive approval from the Attorney General that  
14 the public trust is in the proper form.

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

18 H. Each hospital trust and its subsidiary districts shall  
19 comply with:

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

- 1        2. The Public Competitive Bidding Act of 1974;
- 2        3. The Oklahoma Open Records Act;
- 3        4. The Oklahoma Open Meeting Act; and
- 4        5. The provisions of Sections 176 through 180.4 of Title 60 of
- 5 the Oklahoma Statutes.

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

16        J. Each hospital trust is hereby authorized to apply for one or  
17 more waivers through the Oklahoma Health Care Authority to execute  
18 the district's own demonstration project pursuant to Section 1115 of  
19 the Social Security Act for the purposes of implementing an upper  
20 payment limit (UPL) funding structure.

21        SECTION 2. This act shall become effective November 1, 2019.

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