

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5680 (Substitute H-1 as reported without amendment)
Sponsor: Representative Patricia Birkholz
House Committee: Local Government and Urban Policy
Senate Committee: Health Policy

CONTENT

The bill would amend Public Act 47 of 1945 (which allows two or more local units of government to incorporate a hospital authority for the purpose of owning and operating one or more community hospitals) to allow a hospital authority board to declare that it had no material assets, under certain conditions, and provide that it would not have to comply with certain meeting and budgeting requirements.

Under the bill, if an annual audit showed that a hospital authority had gross assets, without accounting for any liabilities, of less than \$20,000, and if the authority were not then directly or indirectly engaged in the operation of a hospital, the hospital authority board could adopt a resolution stating that the authority had no material assets. The adoption of the resolution would have to be made at a public meeting held in compliance with the Act and with the Open Meetings Act. The board would have to continue to function in compliance with Public Act 47 as provided in the bill, except that it would not have to meet at regular times, as required by the Act, or complete an annual budget.

The board could take action by written consent of its members, signed by a number of members equal to the number necessary to approve such action at a meeting that all of the board members attended, but only for the purpose of electing members at large to the board and not for the purpose of removing members at large.

Under the Act, a hospital board must consist of members appointed by the local units' legislative bodies (based on population) and seven at-large members selected by the appointed members. For an authority whose member jurisdiction has a population of 300,000 or more, the legislative bodies of local units whose representation constitutes a majority of the board's members (excluding the members at large) may adopt a resolution to remove the members at large. The secretary of the hospital board is required to notify the members at large that they have been removed and to notify the full hospital board by its next regularly scheduled meeting. Under the bill, if a board were not scheduled to hold a regular meeting within 90 days after the secretary received the local units' resolution, the secretary would have to give the other board members written notice of the removal of the members at large, within 30 days after receiving the resolution.

MCL 331.5-331.7

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no impact on State revenues or expenditures. The bill would not affect local unit revenues but would reduce expenditures by local hospital authorities affected by the bill by an unknown and minimal amount.

Date Completed: 11-18-02

Fiscal Analyst: David Zin