



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 991 (as introduced 2-12-04)
Sponsor: Senator Jason E. Allen
Committee: Health Policy

Date Completed: 3-24-04

CONTENT

The bill would amend Public Act 47 of 1945 to recognize as a hospital authority an entity that had owned and operated a hospital for at least 40 years and was acting as a hospital authority.

Under the Act, two or more cities, villages, or townships may join to form a hospital authority and issue bonds for the purpose of planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating one or more community hospitals and related buildings or structures and related facilities, subject to the tax limitation provided in the Act.

The municipalities may form a hospital authority by resolution of their respective legislative bodies, approved by a majority vote of the qualified electors of each municipality. The resolution must designate the municipalities to be included in the authority and must set forth the fact that a sum of money not to exceed the tax limitation may be requested and certified by the hospital board annually for the activities listed above, and that the sum or a portion of that sum must first be pledged by the authority's governing body for the payment of bonds issued under the Act.

An entity that was unable to document compliance with these provisions and was acting or purporting to act as a hospital authority, and that continuously owned and operated a hospital for at least 15 years before February 6, 1978, is considered a hospital authority duly organized and existing under the Act, and is fully empowered to exercise any power granted to a hospital authority. Within 30 days after February 6, 1978, the entity was required to file with the clerk of each municipality included in the authority a written notice stating that the entity, being unable to document compliance with these provisions, was recognized as a hospital authority pursuant to the Act.

The bill also would recognize as a hospital authority an entity that continuously owned and operated a hospital for at least 40 years before the bill's effective date, acted or was purporting to act as a hospital authority, and was unable to document compliance with the resolution requirements. Within 30 days after the bill took effect, the entity would have to file a notice with the clerk of each city, village, or township included in the authority.

MCL 331.2

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

This estimate is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.