

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 603

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO HOSPITAL DISTRICTS; AMENDING CHAPTER 13, TITLE 39, IDAHO CODE,
2 BY THE ADDITION OF A NEW SECTION 39-1358, IDAHO CODE, TO PROVIDE FOR
3 LEASE OR SALE OF HOSPITAL DISTRICT PROPERTY; AMENDING CHAPTER 13, TITLE
4 39, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 39-1359, IDAHO CODE,
5 TO PROVIDE FOR CONVEYANCE OF HOSPITAL DISTRICT PROPERTY TO A NONPROFIT
6 CORPORATION; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE
7 DATE.
8

9 Be It Enacted by the Legislature of the State of Idaho:

10 SECTION 1. That Chapter 13, Title 39, Idaho Code, be, and the same is
11 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
12 ignated as Section 39-1358, Idaho Code, and to read as follows:

13 39-1358. DISTRICT HOSPITAL PROPERTY -- LEASE OR SALE. A hospital dis-
14 trict acting through its board of trustees shall have the right to convey or
15 lease hospital district real property, facilities, and the personal prop-
16 erty and equipment therein upon such terms and for such length of time as the
17 board of trustees may decide. However, no such lease or sale, except those
18 leases entered into between a hospital district and the Idaho health facil-
19 ities authority as provided in section 39-1339, Idaho Code, shall be final
20 or valid unless and until it has been approved by a majority of the qualified
21 electors of the district voting on such question at an election held subject
22 to the provisions of title 34, Idaho Code.

23 SECTION 2. That Chapter 13, Title 39, Idaho Code, be, and the same is
24 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
25 ignated as Section 39-1359, Idaho Code, and to read as follows:

26 39-1359. CONVEYANCE OF HOSPITAL DISTRICT PROPERTY TO NONPROFIT CORPO-
27 RATION. (1) As an alternative to the procedure set forth in section 39-1358,
28 Idaho Code, the board of trustees of a hospital district may convey or lease
29 hospital district real property, facilities, and the personal property and
30 equipment therein subject to the following conditions:

31 (a) The conveyance or lease shall be to a nonprofit corporation;

32 (b) No lease term shall exceed ninety-nine (99) years;

33 (c) The governing body of the nonprofit corporation must be composed
34 initially of the incumbent trustees of the hospital district board of
35 trustees as individuals;

36 (d) The articles of incorporation must provide for a membership of the
37 corporation that is:

38 (i) Broadly representative of the public it serves; or

39 (ii) A single nonprofit corporate member having articles of in-
40 corporation that provide for a membership of the corporation that

1 is broadly representative of the public it serves. The articles
2 must further provide for the selection of the governing body by the
3 membership of the corporation or exclusively by a parent corpora-
4 tion that is a corporate member, with voting power, and not by the
5 governing body itself, except to fill a vacancy for an unexpired
6 term. The articles must further provide that no member of the gov-
7 erning body shall serve more than two (2) consecutive three (3)
8 year terms;

9 (e) The nonprofit corporation must provide care for indigent patients
10 and receive any person falling sick or maimed within the hospital dis-
11 trict;

12 (f) The conveyance or lease agreement must provide for the transfer of
13 patients, staff, and employees and for the continuing administration of
14 any trusts or bequests or maintenance of records pertaining to the ex-
15 isting hospital district; and

16 (g) The conveyance or lease agreement shall provide for a price that is
17 either of the following:

18 (i) The acceptance of all assets and assumption of all liabili-
19 ties; or

20 (ii) Such other price to which the hospital district board of
21 trustees and the nonprofit corporation agree.

22 (2) If any hospital that has been conveyed pursuant to this section
23 ceases to be used as a nonprofit hospital, then the hospital so conveyed
24 shall revert to the ownership of the hospital district, unless the premises
25 so conveyed are sold and the proceeds used to erect or enlarge another non-
26 profit hospital. If any hospital that has been leased pursuant to this
27 section ceases to be used as a nonprofit hospital, then the lease shall ter-
28minate.

29 SECTION 3. An emergency existing therefor, which emergency is hereby
30 declared to exist, this act shall be in full force and effect on and after
31 July 1, 2022.