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Chapter No. 964

11/SS02/R1339

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SENATE BILL NO. 3127

Originated in Senate *Fleming* Secretary

SENATE BILL NO. 3127

AN ACT TO AMEND CHAPTER 849, LOCAL AND PRIVATE LAWS OF 1989, AS AMENDED BY CHAPTER 939, LOCAL AND PRIVATE LAWS OF 1994, TO AUTHORIZE THE CITY OF OXFORD, MISSISSIPPI, AND THE BOARD OF SUPERVISORS OF LAFAYETTE COUNTY, MISSISSIPPI, TO TERMINATE THE OXFORD/LAFAYETTE COUNTY COMMUNITY HEALTH FOUNDATION UPON THE TERMINATION OF THE LEASE AGREEMENT RELATED TO AN AMENDMENT OF THE LEASE AGREEMENT TO INCLUDE AN OPTION TO PURCHASE THE OXFORD LAFAYETTE MEDICAL CENTER AND SUBSEQUENT SALE OF THE HOSPITAL BASED ON THE EXERCISE OF THE OPTION SO THAT THE CITY AND COUNTY NO LONGER HOLD ANY TITLE TO THE HOSPITAL; TO PROVIDE THAT THE ASSETS OF THE FUND SHALL BE LIQUIDATED AND DISTRIBUTED IN EQUAL AMOUNTS TO THE CITY AND THE COUNTY; TO PROVIDE THAT THE LIQUIDATED ASSETS MAY BE APPROPRIATED AND USED BY THE CITY AND THE COUNTY FOR ANY PURPOSE; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Chapter 849, Local and Private Laws of 1989, as amended by Chapter 939, Local and Private Laws of 1994, is amended as follows:

Section 1. It is determined and declared that for the benefit of the people of the City of Oxford, Mississippi, and Lafayette County, Mississippi, and the improvement and maintenance of their health and living conditions, it is essential that the city and county fulfill their responsibility to provide for the care of the indigent or needy residents of the city and county; that it is the purpose of this act to establish an alternative method to make funds available to fulfill these obligations by authorizing the creation, operation, maintenance and administration of the Oxford/Lafayette County Community Health Foundation, through which health care services in the City of Oxford and Lafayette County to indigent or needy residents of the City of Oxford or Lafayette County, Mississippi, will be provided in the most economical and efficient manner and the cost thereof

defrayed and through which the level and quality of the welfare of the residents of the City of Oxford or Lafayette County, Mississippi, will be increased, all to the public benefit and good, as more fully provided herein. This act shall not suspend the operation of any general act and shall be liberally construed in conformity with the intention expressed in this section.

Section 2. Whenever used in this act, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall be given the following meanings:

(a) "Board of supervisors" means the Board of Supervisors of Lafayette County, Mississippi.

(b) "City" means the City of Oxford, Mississippi, acting by and through its mayor and board of aldermen.

(c) "County" means Lafayette County, Mississippi, acting by and through its board of supervisors.

(d) "Foundation" means the Oxford/Lafayette County Health Foundation established under this act.

(e) "Fund" means the Oxford/Lafayette County Community Health Foundation Fund established under this act.

(f) "Hospital" means the existing Oxford Lafayette Medical Center or other structure, facility, machinery, equipment and/or other property, real or personal, whether already constructed and equipped, suitable for use as or in connection with the operation or proposed operations of such hospital or hospitals.

(g) "Indigent" means an individual or family with an income which is not more than the current poverty guideline of the Community Services Administration (as currently set forth in 45 CFR 1060.2-1 et seq.) for the twelve (12) months preceding the determination of eligibility for hospital services at Oxford Lafayette Medical Center. Only those persons who reside in the City of Oxford or Lafayette County, Mississippi, as of the date

upon which the indigent or his family receives hospital services will be considered indigents herein.

(h) "Lease agreement" means any agreement between the City of Oxford and Lafayette County, Mississippi, and any nonprofit corporation for a lease of the hospital.

(i) "Lessee" means any nonprofit corporation leasing the hospital from the city and county under a lease agreement.

(j) "Mayor and board of aldermen" mean the Mayor and Board of Aldermen of the City of Oxford, Mississippi.

(k) "Needy" means those residents of the City of Oxford or Lafayette County whom the trustees of the fund, as defined herein, in extraordinary cases deem to be indigent due to hardship, although the individuals do not meet the income requirements to be indigents as defined herein.

(l) "Trustees" mean the persons chosen by the mayor and board of aldermen and the board of supervisors to perform in a manner so as to safeguard the interests of the people of the City of Oxford and Lafayette County, Mississippi, the administrative and management duties necessary to fulfill the purposes of the Oxford/Lafayette County Community Health Foundation and Fund. If the mayor and board of aldermen and the board of supervisors should assume administration of the fund as provided in this act, then "trustees" shall refer to the mayor and board of aldermen and the board of supervisors acting in the position of trustees of the fund.

Section 3. The mayor and board of aldermen and the board of supervisors are authorized to establish the Oxford/Lafayette County Community Health Foundation. The mayor and board of aldermen and the board of supervisors are authorized to fund and deposit into the Oxford/Lafayette County Community Health Foundation Fund all lease payments received from the lessee which represent payments made in consideration for the lease of the hospital's net current assets calculated as all current assets

(except inventories), all cash and all cash reserves less outstanding current liabilities, plus uncollected accounts. In addition to the initial funding, the trustees shall be authorized to accept public and private contributions to the trust fund.

Section 4. (1) The mayor and board of aldermen and the board of supervisors are authorized to delegate the administration and management of the fund to the trustees to be chosen in the manner provided herein and the trustees shall manage the fund as provided herein.

(2) The fund shall be governed by the board of trustees consisting of nine (9) members, with three (3) members appointed by the Lafayette County Board of Supervisors, all of whom shall be qualified electors of Lafayette County, with three (3) members appointed by the Mayor and Board of Aldermen of the City of Oxford, all of whom shall be qualified electors of the City of Oxford and with three (3) members appointed by the lessee of the hospital. The term of office of the initial trustees shall be: Three (3) trustees, one (1) each appointed by the three (3) methods set forth above, shall serve for a three-year term; three (3) trustees appointed in a like manner shall serve for a two-year term; and three (3) trustees appointed in a like manner shall serve for a one-year term. In the succeeding year following the first year, three (3) new trustees shall be appointed, one (1) each in a like manner as set forth above for the original board of trustees whose term of office shall be for three (3) years. Any vacancy shall be filled by the appropriate appointing body and appointment shall be for the remainder of the unexpired term. Each trustee may be compensated per diem in the amount established by Section 25-3-69, Mississippi Code of 1972, for each meeting of the trustees where the trustee was in attendance, and in addition thereto each member attending may be compensated for travel expenses at the rate authorized by Section 25-3-41, Mississippi Code of 1972, for actual mileage traveled to and from the place of

meeting. The entire body of trustees may be dissolved at any time by the agreement of the mayor and board of aldermen and the board of supervisors if by a majority vote of both, the mayor and board of aldermen and the board of supervisors find dissolution to be in the best interest of the public. In the case of dissolution, the mayor and the board of aldermen and board of supervisors shall administer and manage the fund directly, acting in accordance with the provisions herein, until such time, if any, as the mayor and board of aldermen and the board of supervisors, in their sole discretion, elect to reestablish a board of trustees in accordance with the procedures for appointment in subsection (2) of this section.

(3) The trustees shall administer and manage the fund and deposit the principal and interest income of the fund in a depository or depositories selected by the trustees. The funds shall be treated as other public funds except the trustees may invest in any obligations of the United States Government, or guaranteed by the United States Government and its entities, or in registered mutual funds whose assets are at least eighty-five percent (85%) composed of such obligations.

Section 5. The fund shall be invested and disbursed as follows:

(a) The fund shall be divided into two (2) components:
(i) the corpus component and (ii) the earnings component.

(b) The corpus component of the fund shall consist of the initial deposit as described above, any additional subsequent deposits made by the city and county or other third parties and fifteen percent (15%) of the annual income earned from the investment of the fund. The corpus component shall be maintained and used to generate interest income and shall not be invaded or used by the trustees.

(c) The earnings component shall be composed of eighty-five percent (85%) of the annual interest earned on the

corpus component of the fund, and shall be available for distribution by the trustees as described below and to meet the purpose of the Oxford/Lafayette County Community Health Foundation.

(d) Any balance remaining of the eighty-five percent (85%) of the interest earned from the investment of the fund for a year after payment of the amount needed to pay indigent care for the hospital shall be carried forward into the following year and be available for payments in the following years.

(e) The trustees shall determine the portion of the earnings component of the trust fund which shall be available for payment solely to lessee of the hospital for treatment rendered to indigent or needy residents from Oxford or Lafayette County at the hospital who are unable to pay for such services. Payments to lessee from the earnings component of the trust fund shall be made in the amounts and at times determined by the trustees upon the receipt by the trustees of any statement depicting the amount of the uncompensated care rendered by lessee during any period preceding the statement.

(f) The trustees are to be specifically given the power and authority in connection with the earnings component of the trust fund to do the following:

(i) To pay for the provision of uncompensated care to needy residents of the City of Oxford or Lafayette County rendered to them at the hospital.

(ii) To assist medically indigent in the City of Oxford or Lafayette County in paying for their inpatient and outpatient care rendered to them at the hospital.

(iii) To expend funds required in connection with the management by the trustees of the trust fund, including, but not limited to, payments for accounting fees, legal fees and investment advisor or fund management fees.

Any funds not expended for general purposes shall remain in the principal but shall be available for use in the following years. Nothing herein shall create rights in any person or entity for indigent or needy care or rights to receive benefits from the fund, all of which shall be at the discretion of the trustees.

Section 6. (1) The mayor and board of aldermen and the board of supervisors are authorized to terminate the fund upon the termination of any lease of the hospital where it is the intention of the City of Oxford and Lafayette County to resume management and operation of the hospital in which event the fund shall go back to the hospital.

(2) The mayor and board of aldermen and the board of supervisors are authorized to terminate the fund upon the termination of the lease agreement and subsequent sale of the hospital so that the city and county no longer hold any title to the hospital. Upon termination of the fund under this subsection, the assets of the fund shall be liquidated and distributed in equal amounts to the city and the county for deposit into their general funds, road funds and/or reserve funds as directed by the mayor and board of aldermen or board of supervisors, as appropriate. Once the liquidated assets of the fund are distributed to the city and the county, the use of the assets is not limited to health-related purposes and the assets may be appropriated and used by the city and the county for any purpose, including, but not limited to, the construction and maintenance of public roads.

SECTION 2. This act shall take effect and be in force from

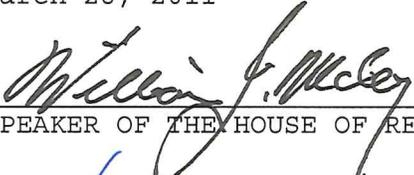
and after its passage.

PASSED BY THE SENATE
March 23, 2011



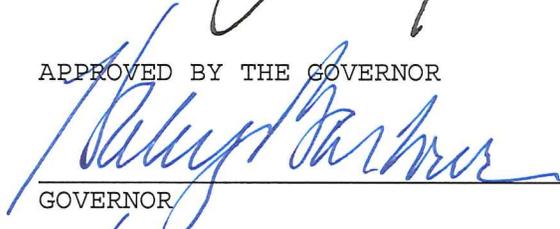
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 28, 2011



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR
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