

IC 16-22

ARTICLE 22. COUNTY HOSPITALS

IC 16-22-1

Chapter 1. Applicability

IC 16-22-1-1

Application of article

Sec. 1. This article applies to the following:

- (1) Hospitals organized or established before September 2, 1971, under IC 16-12 or IC 16-12.1.
- (2) Hospitals organized or established under IC 16-12 or IC 16-12.1 before July 1, 1993.
- (3) Hospitals organized or established under this article.

As added by P.L.2-1993, SEC.5.

IC 16-22-2

Chapter 2. County Hospital Governing Boards

IC 16-22-2-1

Establishment

Sec. 1. (a) A county executive may establish a hospital in the following manner:

(1) The county executive shall promptly determine the following:

(A) The buildings and the estimated cost of the buildings needed to serve the needs of the county.

(B) The method of financing the hospital buildings.

(C) The estimated amount of money to be raised by the sale of general obligation bonds of the county or revenue bonds of an authority.

(2) The county executive shall enter an order establishing the hospital.

(b) The appointment of the members of the board and the acquisition and financing of hospital buildings shall be done under this article.

As added by P.L.2-1993, SEC.5.

IC 16-22-2-2

Board; qualifications; appointments; terms; vacancies

Sec. 2. (a) Except as otherwise provided in this article or in IC 16-12.1 (before its repeal on July 1, 1993), each hospital established under this article or IC 16-12.1 (before its repeal on July 1, 1993) must have a board of four (4) members, appointed by the county executive. All four (4) members must be residents of the county in which the hospital is located and one (1) member may be a licensed physician who is a member of the medical staff of the hospital. When appointing a physician member, the county executive shall consider the recommendation of the medical staff of the hospital.

(b) The initial appointments made under this section are as follows:

(1) One (1) member holds office for one (1) year.

(2) One (1) member holds office for two (2) years.

(3) One (1) member holds office for three (3) years.

(4) One (1) member holds office for four (4) years.

(c) After the initial appointments, board members shall be appointed to serve terms of four (4) years.

(d) Except as provided in section 11 of this chapter, a vacancy on the board shall be filled by the county executive, and the appointee shall be appointed to complete the unexpired term of the member whose office has been vacated.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.1 and P.L.100-2002, SEC.1.

IC 16-22-2-3

Governing board; qualifications; appointments; terms; residence limitations

Sec. 3. (a) This section applies to hospitals operated under IC 16-12-1 (before its repeal on July 1, 1993).

(b) The management of a hospital shall be under the control of a governing board consisting of eleven (11) members. Three (3) of the members of the governing board must be the members of the county executive.

(c) Subject to subsection (e), if the hospital is acquired or equipped without the aid of a hospital association:

(1) three (3) members of the governing board shall be appointed by the county executive; and

(2) five (5) members of the governing board, one (1) of whom may be a licensed physician, shall be appointed by the county fiscal body.

(d) Subject to subsection (e), if the hospital is acquired or equipped with the aid of a hospital association:

(1) four (4) members of the governing board, one (1) of whom may be a licensed physician, shall be appointed by the hospital association;

(2) two (2) members of the governing board shall be appointed by the county executive; and

(3) two (2) members of the governing board shall be appointed by the county fiscal body.

(e) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

(1) be an Indiana resident; and

(2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

(f) The term of an appointed member of the governing board is two (2) years, except a person appointed by the county executive under subsection (c)(1) or (d)(2) serves a one (1) year term. Thereafter, the persons appointed by the county executive to succeed initial persons serve two (2) year terms.

As added by P.L.2-1993, SEC.5. Amended by P.L.80-2011, SEC.1.

IC 16-22-2-3.1

Governing board; members; residence limitations; terms; vacancy

Sec. 3.1. (a) This section applies to a hospital operated under IC 16-12-4-2 (before its repeal on July 1, 1993) that is located in a county having a population of more than forty-two thousand three hundred (42,300) but less than forty-three thousand (43,000).

(b) The management of a hospital is under the control of a

governing board. The governing board consists of nine (9) members appointed by the county executive as follows:

- (1) Three (3) members must be members of the county executive.
- (2) Six (6) members meeting the following requirements:
 - (A) At least four (4) members must be residents of the county.
 - (B) Not more than two (2) members appointed under this subdivision may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:
 - (i) be an Indiana resident; and
 - (ii) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.
 - (C) One (1) member appointed under this subdivision may also be a licensed physician.
- (c) The term of each member of the governing board is three (3) years.
- (d) If a vacancy occurs due to the expiration of an appointed member's term and the county executive does not fill the vacancy within sixty (60) days from the date of expiration, the member whose term has expired is automatically reappointed for another term.

As added by P.L.56-1995, SEC.2. Amended by P.L.91-2002, SEC.2 and P.L.100-2002, SEC.2; P.L.80-2011, SEC.2; P.L.119-2012, SEC.131.

IC 16-22-2-4

Governing board in certain counties; members; residence limitations; terms

Sec. 4. (a) This section applies to the governing boards of county hospitals in a county having a population of more than thirty-eight thousand two hundred (38,200) but less than thirty-eight thousand five hundred (38,500).

(b) Subject to subsection (c), the governing board of a county hospital consists of seven (7) members, as follows:

- (1) Three (3) members must be the members of the county executive.
- (2) Four (4) members, one (1) of whom may be a licensed physician, shall be appointed by the judge of the circuit court of the county.
- (c) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:
 - (1) be an Indiana resident; and
 - (2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the

appointing authority.

(d) The term of office for members of the governing board, other than the members of the county executive, is two (2) years.

As added by P.L.2-1993, SEC.5. Amended by P.L.170-2002, SEC.103; P.L.80-2011, SEC.3; P.L.119-2012, SEC.132.

IC 16-22-2-5

Governing board; members; residence limitations; terms

Sec. 5. (a) This section applies to county hospitals in counties having a population of more than seventeen thousand three hundred fifty (17,350) but less than eighteen thousand (18,000).

(b) Subject to subsection (e), the hospital and the affairs and business of the hospital shall be under the management and control of a governing board consisting of seven (7) members as follows:

(1) Three (3) members must be members of the county executive.

(2) Two (2) members shall be appointed by the county fiscal body, one (1) of whom may be a licensed physician.

(3) Two (2) members shall be appointed by the county executive.

(c) One (1) of the members initially appointed by the county fiscal body serves for one (1) year and one (1) of the members initially appointed serves for two (2) years. After the initial appointment, the members serve for two (2) years.

(d) One (1) of the members initially appointed by the county executive serves for one (1) year and one (1) of the members initially appointed serves for two (2) years. After the initial appointment, the members serve for two (2) years.

(e) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

(1) be an Indiana resident; and

(2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.2; P.L.91-2002, SEC.3 and P.L.100-2002, SEC.3; P.L.80-2011, SEC.4; P.L.119-2012, SEC.133.

IC 16-22-2-5.5

Repealed

(Repealed by P.L.64-1998, SEC.8.)

IC 16-22-2-6

County hospital governing board; membership; terms of office

Sec. 6. (a) This section applies to hospitals established under Acts 1917, c.144, s.1.

(b) Except as provided in section 7 of this chapter, the management of the hospital shall be under the control of a governing board consisting of four (4) members appointed by the county executive. One (1) of the members may be a licensed physician. The members shall be chosen from the residents of the county.

(c) The initial terms of the members are as follows:

- (1) One (1) member has a term of one (1) year.
- (2) One (1) member has a term of two (2) years.
- (3) One (1) member has a term of three (3) years.
- (4) One (1) member has a term of four (4) years.

After the initial appointments, the members serve for four (4) years.
As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.3; P.L.91-2002, SEC.4 and P.L.100-2002, SEC.4.

IC 16-22-2-7

Governing board; membership; increase or decrease in number; qualifications; terms

Sec. 7. (a) Except as provided in subsection (d), a governing board of four (4) members in existence on September 2, 1971, may petition the county executive to increase the size of the board to five (5), six (6), seven (7), eight (8), or nine (9) members. If the county executive approves the petition, the county executive shall appoint new members to increase the number of board members to the chosen size in the following manner:

(1) All members must be residents of the county in which the hospital is located except in the following circumstances:

(A) If a determination is made to increase a board size to five (5) or six (6) members, one (1) member may be a resident of an Indiana county other than the county in which the hospital is located if the member to be appointed was recommended by the governing board as set forth in section 11 of this chapter to fill the vacancy.

(B) If a determination is made to increase a board size to at least seven (7) members, not more than two (2) members may be residents of an Indiana county other than the county in which the hospital is located if the member to be appointed was recommended by the governing board as set forth in section 11 of this chapter to fill the vacancy.

(2) If a board size of five (5) members is chosen, a new member shall be appointed for an initial term of one (1) year.

(3) If a board size of six (6) members is chosen, the new members shall be appointed in the following order as necessary:

(A) One (1) new member for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

(4) If a board size of seven (7) members is chosen, the new members shall be appointed in the following order as necessary:

(A) One (1) new member for an initial term of one (1) year.

(B) One (1) new member for an initial term of two (2) years.

- (C) One (1) new member for an initial term of three (3) years.
- (5) If a board size of eight (8) members is chosen, the new members shall be appointed in the following order as necessary:
 - (A) One (1) new member for an initial term of one (1) year.
 - (B) One (1) new member for an initial term of two (2) years.
 - (C) One (1) new member for an initial term of three (3) years.
 - (D) One (1) new member for an initial term of four (4) years.
- (6) If a board size of nine (9) members is chosen, the new members shall be appointed in the following order as necessary:
 - (A) Two (2) new members for an initial term of one (1) year.
 - (B) One (1) new member for an initial term of two (2) years.
 - (C) One (1) new member for an initial term of three (3) years.
 - (D) One (1) new member for an initial term of four (4) years.
- (7) If a board size of seven (7), eight (8), or nine (9) members is chosen, two (2) members may be licensed physicians.
- (b) A governing board that has increased its size may petition the county executive to decrease the size of the board. However, a decrease under this subsection may only be accomplished through:
 - (1) the vacancy of a member's position, either through expiration of the member's term or any other cause; or
 - (2) removal of a member as provided under applicable law.
- (c) There is no limit to the number of times a governing board may seek to increase or decrease its size under this section.
- (d) For a governing board of four (4) members located in a county having a population of:
 - (1) more than fourteen thousand (14,000) but less than fifteen thousand (15,000);
 - (2) more than twenty-four thousand five hundred (24,500) but less than twenty-five thousand (25,000); or
 - (3) more than thirty-three thousand two hundred (33,200) but less than thirty-three thousand two hundred fifty (33,250);the county executive may increase the number of board members to five (5), six (6), or seven (7), subject to the limitations of this section. After the initial appointments, each board member shall be appointed to serve for a term of four (4) years.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.4; P.L.91-2002, SEC.5 and P.L.100-2002, SEC.5; P.L.80-2011, SEC.5; P.L.119-2012, SEC.134.

IC 16-22-2-8

County hospitals in counties with existing city hospital operating under IC 16-23-1; creation; board and association; membership; appointment; joint operation

Sec. 8. (a) This section applies to a county where a city hospital is operated under IC 16-23-1.

(b) A county hospital may be created by an order of the county executive without filing a petition or holding an election.

(c) The county executive may create a hospital association under IC 16-22-6.

(d) An appointing board shall be formed to appoint the members of the governing board of the county hospital. The appointing board shall consist of three (3) members, as follows:

- (1) The executive of the city where the city hospital is located.
- (2) The judge of the circuit court of the county.
- (3) A member of the county executive chosen by the county executive of the county.

(e) Each member must take and subscribe an oath for the honest and faithful performance of the member's duties, which shall be filed in the auditor's office of the county.

(f) Subject to subsection (g), the governing board consists of seven (7) members with the following qualifications:

- (1) At least five (5) members must be qualified voters in the county.
- (2) Not more than two (2) members may be licensed physicians.
- (3) One (1) member may be a registered nurse licensed to practice in Indiana.

(g) Not more than two (2) members of a governing board appointed under this section may reside in a county other than the county in which the hospital is located. A member who is not a resident of the county in which the hospital is located must:

- (1) be an Indiana resident; and
- (2) be appointed upon a submission made under section 11 of this chapter by the governing board of the hospital to the appointing authority.

(h) Initial and subsequent appointments to the hospital board shall be made for staggered terms ending on February 1 to coincide with the terms of members of the city hospital board of directors created by IC 16-23-1.

(i) The appointing board members may serve without bond. The regular meeting of the appointing board for the appointment of members to the hospital board shall be on the third Monday in January of each year following the year of the initial appointments. The meeting may adjourn periodically until the appointments for all expired or vacant memberships are made. Vacancies occurring on the hospital board may be filled at a special meeting of the appointing board called by the county auditor or by two (2) members of the appointing board on five (5) days notice to all appointing board members, or without notice if all of the appointing board members are present at the meeting. Each meeting of the appointing board shall be held at the county executive's room of the county, unless by unanimous consent the board determines to hold the meeting at another location.

(j) The county executive shall choose the board's member of the

appointing board each year following the year of initial appointments at the board's regular January meeting.

(k) The governing board may operate the county hospital jointly with the city hospital operated in the same county under IC 16-23-1. The joint operation may include joint employment of an administrator and other personnel, joint policies, joint purchases, joint services, and other programs to deliver health care at a reduced cost. The governing board of the county hospital may contract with the governing board of the city hospital to allocate revenues and expenditures and for the administration of the hospitals, but records must be kept that reflect the separate ownership, financial obligations, and existence of the county hospital and the city hospital.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.6 and P.L.100-2002, SEC.6; P.L.80-2011, SEC.6.

IC 16-22-2-9

Board organization; bond; meetings; quorum; compensation and reimbursements

Sec. 9. (a) Each governing board member shall not more than ten (10) days after appointment and before entering on official duties take an oath to support the Constitution of the United States and the Constitution of the State of Indiana and to faithfully discharge the duties of office. The board shall adopt bylaws that provide for the election of one (1) member as chairman, one (1) member as secretary, and other officers the board considers necessary or advisable.

(b) The county treasurer of the county in which the hospital is located shall be the treasurer of the governing board. Money in the hospital fund shall be disbursed only on warrants issued by the county auditor and countersigned by the county treasurer. However, the board, with the approval of the county executive, may elect a treasurer who shall also serve as the disbursing officer of the hospital. Checks drawn by the treasurer must be countersigned by a person selected by the board. Approval by the county executive for the board to elect a treasurer is permanent, and the treasurer may not be a member of the board.

(c) The executive director and all persons whose duty it is to handle funds of the hospital must execute a corporate surety bond in an amount and with conditions required by the board. If a treasurer is elected by the board, the treasurer shall be separately bonded in an amount fixed by the board but not less than twenty-five thousand dollars (\$25,000). The board may elect an assistant treasurer who may not be a member of the board and who must be separately bonded in an amount fixed by the board greater than twenty-five thousand dollars (\$25,000). The bond on all persons except the treasurer and assistant treasurer may be a blanket corporate surety bond conditioned for the faithful performance of duties. All bonds

required by this subsection must be approved by the board and filed with the county recorder. The premiums shall be paid out of hospital funds.

(d) A majority of the members of the governing board constitutes a quorum, and board action requires the affirmative vote of a majority of those members present at a regular or special meeting of the board at which a quorum is present. If a board member is absent from three (3) consecutive regular board meetings or is absent from four (4) regular board meetings during a year, upon recommendation by the board, the member may be removed from office by the county executive and, except as provided in section 7(b) of this chapter, the vacancy created shall be filled as provided in section 11 of this chapter.

(e) Each board member shall be reimbursed for expenditures made by the member in performing the duties of office, and an itemized statement of expenses must be filed with the secretary and allowed by the board. Each governing board member may receive annual compensation not to exceed six thousand dollars (\$6,000), with compensation to be fixed by the board. The chair of the board may receive additional compensation not to exceed one thousand two hundred dollars (\$1,200) annually, with compensation to be fixed by the board.

(f) The governing board shall hold at least ten (10) regular meetings each year, and special meetings of the board may be called at any time by the chairman or two (2) members of the board. The secretary of the board shall keep a complete record of all proceedings.

(g) A board member may receive group health and life insurance benefits paid by the hospital. Health and life insurance benefits are not considered compensation under subsection (e).

(h) A board member may attend meetings and seminars for the benefit of the hospital, with the cost of the meetings and seminars paid by the hospital. A payment made by the hospital under this subsection to a board member is not considered compensation under subsection (e).

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.5; P.L.24-2016, SEC.1.

IC 16-22-2-10

Conflicts of interest; disclosure; abstention; removal

Sec. 10. (a) An individual is not prohibited from serving as a member of the governing board if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.

(b) The governing board shall adopt a written conflict of interest policy that meets the requirements of subsection (a). The written conflict of interest policy may contain other requirements as determined by the board.

(c) A member of a governing board who violates this section or the written conflict of interest policy described in subsection (b) may be removed from the governing board by action of the board.

(d) The county executive may not:

(1) reappoint to a governing board; or

(2) appoint to a governing board;

an individual who violates this section or the written conflict of interest policy described in subsection (b) while serving or after serving as a member of a governing board.

As added by P.L.2-1993, SEC.5. Amended by P.L.125-2006, SEC.3.

IC 16-22-2-11

Vacancies on governing board

Sec. 11. (a) Except as provided in section 12 of this chapter, whenever a vacancy occurs on the governing board, the existing governing board shall submit a list of the following:

(1) At least one (1) but not more than three (3) candidates for each vacancy to be filled to the appointing authority.

(2) Qualifications for assessment of a candidate for each vacancy.

(b) For each vacancy, the appointing authority may do one (1) of the following:

(1) Appoint one (1) of the candidates submitted by the governing board.

(2) Request and receive from the governing board a second list of at least one (1) but not more than three (3) candidates.

(3) Appoint an individual who meets the requirements concerning board members and who was not named in the initial list submitted by the governing board.

The appointing authority shall consider the list of qualifications submitted by the governing board under subsection (a)(2) when making an appointment.

(c) If the appointing authority requests and receives a second list of candidates under subsection (b)(2), the appointing authority may do one (1) of the following:

(1) Appoint one (1) candidate named in the second list.

(2) Appoint an individual who meets the requirements concerning board members and who was not named in the second list of candidates submitted by the governing board.

(d) The appointment for a vacancy shall be made not more than sixty (60) days after submission of the initial list of candidates under subsection (a).

(e) If the vacancy occurred due to the expiration of a member's term and the vacancy is not filled within sixty (60) days of the

expiration date, the member whose term expired is automatically reappointed for another term.

(f) Each candidate submitted by the governing board must meet the requirements concerning governing board members.

As added by P.L.2-1993, SEC.5. Amended by P.L.56-1995, SEC.4; P.L.80-2011, SEC.7.

IC 16-22-2-12

Vacancies on governing board for certain counties

Sec. 12. (a) This section applies to governing boards of a county hospital in a county having a population of more than:

- (1) seventeen thousand three hundred fifty (17,350) but less than eighteen thousand (18,000);
- (2) twenty-six thousand (26,000) but less than twenty-six thousand five hundred (26,500); and
- (3) forty-two thousand three hundred (42,300) but less than forty-three thousand (43,000).

(b) The appointing authority shall appoint a member to fill a vacancy on the governing board within sixty (60) days after the vacancy occurs.

As added by P.L.56-1995, SEC.5. Amended by P.L.170-2002, SEC.104; P.L.119-2012, SEC.135.

IC 16-22-2-13

Governing board membership limitation

Sec. 13. Except as otherwise required by state law, a member of an appointing authority for the governing board of a hospital established and operated under this article, except a hospital established and operated under IC 16-22-8, may not serve on the hospital's governing board.

As added by P.L.100-2002, SEC.7.

IC 16-22-2.5

Chapter 2.5. Standards for Members of a Governing Board

IC 16-22-2.5-1

Discharge of duties

Sec. 1. (a) A member of a governing board shall, based on facts then known to the member, discharge the member's duties as follows:

- (1) In good faith.
- (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- (3) In a manner the member reasonably believes to be in the best interests of the hospital.

(b) In discharging the member's duties, a member may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by one (1) of the following:

- (1) A person whom the member reasonably believes to be reliable and competent in the matters presented.
- (2) Legal counsel, public accountants, or other persons as to matters the member reasonably believes are within the person's professional or expert competence.

(c) A member is not acting in good faith if the member has knowledge concerning a matter in question that makes reliance otherwise permitted by subsection (b) unwarranted.

As added by P.L.125-2006, SEC.4.

IC 16-22-2.5-2

Confidential information

Sec. 2. All proprietary and competitive information concerning the county hospital is confidential. A member of a governing board may not disclose confidential information concerning the county hospital to any person not authorized to receive this information.

As added by P.L.125-2006, SEC.4.

IC 16-22-2.5-3

Removal of member

Sec. 3. (a) A member of a governing board who violates this chapter may be removed from the governing board by action of the board.

- (b) The county executive may not:
- (1) reappoint to a governing board; or
 - (2) appoint to a governing board;

an individual who violated this chapter while serving or after serving as a member of a governing board.

As added by P.L.125-2006, SEC.4.

IC 16-22-2.5-4

Physician members

Sec. 4. (a) A licensed physician is eligible for appointment to a county hospital governing board only if the physician is an active member of the medical staff of the hospital or holds a position that is equivalent to being an active member of the medical staff of the hospital.

(b) A physician who is terminated from the medical staff of the hospital is removed from the governing board by operation of law.

(c) A physician whose clinical privileges or staff membership privileges have been significantly reduced shall be removed from the governing board by action of the board.

(d) If a hospital governing board has two (2) physician members under IC 16-22-2-7 or IC 16-22-2-8, only one (1) physician member must be an active member of the medical staff of the hospital or hold a position that is equivalent to being an active member of the medical staff of the hospital.

As added by P.L.125-2006, SEC.4.

IC 16-22-3

Chapter 3. Powers of Hospital Governing Boards

IC 16-22-3-1

General powers and responsibilities

Sec. 1. (a) The governing board is the supreme authority in a hospital and is responsible for the management, control, and operation of the hospital. The board has the powers and duties set forth in this chapter.

(b) The governing board has the powers granted to boards of nonprofit corporations under IC 23-17, including the powers to:

- (1) join or sponsor membership in organizations and associations that benefit hospitals;
- (2) enter into partnerships and joint ventures;
- (3) incorporate other corporations; and
- (4) offer to the general public products and services of any organization, association, partnership, or corporation described under this subsection;

except to the extent the powers are inconsistent with this article or are specifically prohibited by law.

(c) In construing subsection (b), the existence of the authority or a power shall be determined in favor of the hospital if generally authorized or existing under IC 23-17. A resolution of the governing board is presumptive evidence of the existence of the hospital's power under IC 23-17.

(d) The governing board may appoint and specify the privileges of the medical staff, with the advice and recommendations of the medical staff in accordance with section 9 of this chapter. The medical staff is responsible to the board for the clinical and scientific work of the hospital and shall advise the board regarding professional problems and policies.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-2

Acquisition of real and personal property for hospital purposes

Sec. 2. (a) The governing board may purchase, construct, remodel, repair, enlarge, or acquire buildings and real or personal property for hospital purposes, upon terms and conditions acceptable to the board.

(b) The governing board may use hospital funds if adequate provision is made for working capital and other known and anticipated hospital needs.

As added by P.L.2-1993, SEC.5. Amended by P.L.56-1995, SEC.6; P.L.91-2002, SEC.7 and P.L.100-2002, SEC.8.

IC 16-22-3-3

Lease of property

Sec. 3. (a) The governing board may lease real or personal property, with or without an option to purchase, on reasonable terms

and conditions. If a lease agreement gives the hospital an option to purchase the property and if any part of the lease rental is to be applied on the purchase price if the option is exercised, the agreement shall be treated as a purchase and is subject to this chapter and other Indiana laws relating to purchases by county hospitals.

(b) The governing board may authorize the purchase or lease of a hospital building from the authority or an authority referred to in IC 5-1-16-1.

As added by P.L.2-1993, SEC.5. Amended by P.L.43-1993, SEC.19.

IC 16-22-3-4

Equipment and supplies acquisitions

Sec. 4. The governing board may purchase or acquire materials, services, equipment, and supplies required to operate and maintain the hospital at prices the board considers reasonable.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-5

Bids, proposals, or quotations submitted by trust

Sec. 5. (a) This section applies to the award of a contract under this chapter for the procurement of property by acceptance of bids, proposals, or quotations.

(b) A bid, proposal, or quotation submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-6

Contracts for services

Sec. 6. The governing board may contract for the following services on terms and conditions the governing board finds reasonable:

- (1) The services of consultants, architects, engineers, or other professionals, including shared services or purchasing organizations.
- (2) Services reasonably required to operate and maintain the hospital, including the management of the hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-7

Claims

Sec. 7. Claims against the hospital must be allowed and approved by the governing board before payment by the disbursing officer. However, the board may, subject to review and approval at the board's next regular meeting, authorize the following:

- (1) Compensation of hospital employees upon certification of payrolls by the executive director.

(2) Payment of invoices for materials, services, equipment, and supplies required for the operation and maintenance of the hospital upon certification by the executive director of the following:

(A) The invoices are true and correct.

(B) The items were ordered and received by the hospital.

The claim or invoice furnished by the supplier need not contain the certificate provided for in IC 5-11-10-1.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-8

Executive director

Sec. 8. The governing board shall appoint an executive director as the administrative head of the hospital. The executive director:

(1) is the executive agent of the board in the administration of the board's policies;

(2) is the liaison officer between the board and the medical staff;

(3) shall employ hospital personnel; and

(4) has the other powers and duties delegated to the executive director by the board or specifically assigned to the executive director in this article.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-9

Medical staff appointment; eligibility; standards and rules; staff self-government

Sec. 9. (a) The governing board may determine appointments and reappointments to the medical staff and delineate privileges of the members of the medical staff.

(b) All licensed physicians are eligible for membership on the medical staff of the hospital, but the board may establish and enforce reasonable standards and rules concerning the qualifications for the following:

(1) Admission to the medical staff.

(2) Practice in the hospital.

(3) Retention of membership.

(4) The granting of medical staff privileges within the hospital.

(c) The standards and rules described in subsection (b) may not discriminate against a licensed physician of any school of medicine but may, in the interest of good patient care, consider the applicant's postgraduate medical education, training, experience, and other facts concerning the applicant that may affect the physician's professional competence. The rules may include a requirement for the following:

(1) The submission of proof that a medical staff member has qualified as a health care provider under IC 16-18-2-163.

(2) The performance of patient care and related duties in a manner that is not disruptive to the delivery of quality medical

care in the hospital setting.

(3) Standards of quality medical care that recognize the efficient and effective utilization of hospital resources as developed by the medical staff.

(d) The medical staff shall originate and the board must approve bylaws and rules for self-government. The bylaws must provide for a hearing for a physician whose medical staff membership the medical staff has recommended for termination.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-10

Personnel; compensation; policies

Sec. 10. Upon the recommendation of the executive director, a governing board shall do the following:

(1) Fix the compensation, including incentives for productivity, of all hospital employees.

(2) Adopt personnel and management policies consistent with the governing boards of other hospitals in Indiana.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-11

Permissible personnel programs and policies

Sec. 11. A governing board may do the following:

(1) Adopt an employee benefit program that may include a vacation policy and employee discounts.

(2) Authorize expenditure of hospital funds for payment of advertising and placement fees for personnel and physicians.

(3) Expend hospital funds in an amount not to exceed one-half percent (0.5%) of hospital revenues for the preceding calendar year for a program that directly contributes to the productivity or morale of personnel, volunteers, or physicians. However, this subdivision does not apply to:

- (A) an employee benefit program under subdivision (1); or
- (B) an employee compensation arrangement, including a productivity bonus.

(4) Adopt a plan that provides for hospital employee sickness or accident disability and contract for and purchase insurance plans from an insurance company licensed to transact business in Indiana.

(5) Contract for and purchase adequate pension and retirement plans for hospital personnel from the Indiana public retirement system or from any company authorized to do such business in Indiana.

(6) Enter into deferred compensation agreements with employees and other contractual personnel and fund deferred obligations by contracting with insurance companies licensed to transact business in Indiana.

(7) Expend hospital funds to pay dues of the executive director

and department heads for memberships in local, state, or national hospital or professional associations or organizations that the board determines are of direct benefit to the hospital.

(8) Establish and operate employee registries for part-time or temporary hospital employees.

(9) Pay a part or all of the costs of these plans out of hospital funds.

(10) Expend hospital funds for reasonable expenses incurred by persons and their spouses who are interviewed for employment or for medical staff appointment and for reasonable moving expenses for the persons and their spouses if employed or appointed to the hospital medical staff.

(11) Expend hospital funds, advance tuition payments, or establish a tuition refund program for the education or professional improvement of nurses and other professional or technical employees of the hospital for inservice training and attending seminars or other special courses of instruction when the board determines that the expenditures directly benefit the hospital.

(12) Conduct business in a state adjacent to Indiana.

As added by P.L.2-1993, SEC.5. Amended by P.L.56-1995, SEC.7; P.L.35-1997, SEC.6; P.L.35-2012, SEC.100.

IC 16-22-3-12

Hospital financial records; annual report

Sec. 12. (a) The state board of accounts:

(1) shall approve or prescribe the manner in which the hospital records are kept;

(2) except as provided in subsection (c), shall audit the records of the hospital; and

(3) may approve forms for use by all hospitals or groups of hospitals.

(b) The governing board may use the calendar year or a fiscal year for maintaining hospital financial records. A hospital that receives a financial subsidy from the county for hospital operations, excluding mental health or ambulance services, during the preceding calendar or fiscal year must file with the county executive and the county fiscal body an annual report showing the income and expenses of the operating fund for the preceding calendar or fiscal year by major classification according to the chart of accounts approved by the state board of accounts. If the hospital uses a calendar year for maintaining financial records, the report must be filed not later than the last Monday in March of each year. If the hospital uses a fiscal year for maintaining financial records, the report must be filed not later than ninety (90) days after the close of the fiscal year. The annual report shall be published one (1) time. Hospital financial records may be kept in hard copy, on microfilm, or via another data system acceptable to the state board of accounts.

(c) A hospital may elect to have an audit required under subsection (a) performed by an independent certified public accounting firm that is experienced in hospital matters. The audit report must be kept on file at the hospital and a copy must be provided to the state board of accounts. The audit engagement by a certified public accounting firm must be performed pursuant to guidelines established by the state board of accounts.

(d) If a hospital elects to use an independent certified public accounting firm under subsection (c), the hospital shall provide written notice to the state board of accounts not less than one hundred eighty (180) days before the beginning of the hospital's fiscal year in which the hospital elects to be audited by an independent certified public accounting firm. For that hospital fiscal year, and each following fiscal year until the hospital terminates the hospital's use of an independent certified public accounting firm, the hospital shall use an independent certified public accounting firm under subsection (c). A hospital shall terminate its use of an independent certified public accounting firm under subsection (c) by providing written notice to the state board of accounts not less than one hundred eighty (180) days before the beginning of the hospital's fiscal year in which the hospital elects not to be audited by an independent certified public accounting firm. For that hospital fiscal year, and each following fiscal year until the hospital elects to use an independent certified public accounting firm as provided under this subsection, the hospital must be audited by the state board of accounts for purposes of section 12(a)(2) of this chapter. For any fiscal year in which the hospital does not use an independent certified public accounting firm under subsection (c), the hospital shall be audited by the state board of accounts.

(e) Any information concerning the specific salaries paid to individual employees of a hospital may be withheld by the hospital from disclosure under IC 5-14-3. However, the information must be provided to the state board of accounts upon request. The state board of accounts shall maintain the confidentiality of the information as required under IC 5-14-3-6.5.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.8 and P.L.100-2002, SEC.9; P.L.208-2016, SEC.5.

IC 16-22-3-13

Patient charges; building and improvement funds

Sec. 13. (a) The governing board shall establish reasonable charges for patient care and other hospital services for the residents of the county and may provide patient care and other hospital services to nonresidents of the county upon terms and conditions the board establishes by rule.

(b) The governing board may give appropriate discounts of charges to patients.

(c) In establishing charges, the governing board may include a

reasonable charge for depreciation and obsolescence of property, plant, and equipment.

(d) The board may periodically transfer all or part of the charges for depreciation and obsolescence to a fund to be used by and at the discretion of the board only for the purpose of building, remodeling, repairing, replacing, or making additions to the hospital building or buildings. However, in any year in which there is a tax levy for the general operation and maintenance of the hospital, the board shall not make a transfer to the fund. In an emergency, the board may borrow from the fund for the operating fund of the hospital and shall reimburse the fund within two (2) years.

(e) The authority granted to establish the fund does not limit the power and authority of the board, the county executive, the county fiscal body, or other units of government to finance hospital buildings by other methods.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-14

Hospital funds; authorized transfers

Sec. 14. (a) The governing board shall take, hold, disburse, and dispose of, for the benefit of the hospital, all real or personal property or other property that is a part of hospital funds in accordance with this article.

(b) The board may accept gifts, devises, bequests, or grants upon the conditions directed by the donor if the conditions are not contrary to law. However, if the hospital was constructed by a county building authority under IC 36-9-13, the powers of the board do not include those powers vested by IC 36-9-13 in the building authority.

(c) The board may transfer a part of the hospital funds to a nonprofit corporation organized under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 that is:

- (1) a hospital foundation organized and operated for the exclusive benefit of the hospital; or
- (2) a related or controlled entity;

if adequate provision is made for working capital and other known and anticipated hospital needs.

(d) If a transfer includes public funds of the hospital, the public funds transferred to the foundation or related or controlled entity may be audited by the state board of accounts unless:

- (1) the hospital foundation or related or controlled entity files annually with the treasurer of the hospital a copy of an audit report prepared by an independent certified public accountant; and
- (2) the audit report is on file at the hospital and is made available to the state board of accounts.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-15

Patient refunds fund

Sec. 15. The governing board may establish a special fund for patient refunds in an amount not to exceed five thousand dollars (\$5,000) if the money is deposited in a checking account in a depository designated for the deposit of money of the hospital and checks are issued by the person designated by the board. The special funds are supplemental to those otherwise permitted by law.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-16**Deposit of funds**

Sec. 16. Money in the hospital funds shall be deposited in the manner determined by the governing board.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-17**Disposition and encumbrance of real and personal property; immunity from liability**

Sec. 17. (a) The governing board may mortgage all or part of an interest in real or personal property owned by the hospital and may enter into a sale and leaseback of hospital property on terms and conditions acceptable to the board.

(b) The following property may be disposed of on terms and conditions acceptable to the board:

- (1) Real or personal property subject to a mortgage or sale and leaseback arrangement.
- (2) Real or personal property in which the hospital has an ownership interest as a participant in an organization or activity described in section 1(b) of this chapter.
- (3) An arrangement in which at least two (2) hospitals participate for the provision of any hospital or related services, including participation or ownership as a tenant in common with other hospitals.

(c) Except as provided in subsection (b), real or personal property or an interest in real or personal property owned by the hospital may be disposed of as follows:

- (1) Personal property:
 - (A) that has limited or no use to the hospital; and
 - (B) that:
 - (i) has value not exceeding thirty thousand dollars (\$30,000); or
 - (ii) is traded upon purchase of other personal property; may be disposed of without the necessity of advertising, auctioning, or requesting bids.
- (2) Real property that the board considers no longer necessary for hospital purposes shall be sold after the following occur:
 - (A) The property is appraised by three (3) disinterested owners of taxable real property of the county.

(B) The board publishes notice of the sale one (1) time at least seven (7) days before the date of the sale.

(C) The sale is approved by the commissioners.

The board shall determine the time, terms, and conditions of the sale of property.

(3) Personal property other than property described in subdivision (1) shall be sold at public auction. The board shall publish notice of the sale one (1) time at least seven (7) days before the date of the sale. If sealed bids are solicited in the published notice of the sale, the bids must be opened in public on the date and time of the sale to satisfy the public auction requirement.

Upon the sale of real property under this subsection and the payment of the purchase price, the board and the commissioners shall execute a deed of conveyance to the purchaser. The proceeds of all sales are a part of the hospital funds to be held and used for the use and benefit of the hospital.

(d) If a trust (as defined in IC 30-4-1-1(a)) submits a bid in a sale or lease conducted under subsection (b), (c), or (e), the bid must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

(e) If it is determined by the board, the county executive, and the county fiscal body, by joint resolution, that:

- (1) the hospital should cease doing business as a county hospital;
- (2) the hospital should be terminated and dissolved; and
- (3) the entire hospital building or buildings should be sold or leased to a for-profit corporation, partnership, or entity;

the proposed sale or lease shall be considered publicly, and the board, the county executive, and the county fiscal body shall follow the procedures of IC 16-22-6-18 concerning notice and hearing on the terms and provisions of the sale or lease. The terms and provisions of the sale or lease shall be determined by the board, the county executive, and the county fiscal body and shall be presented at a hearing as required by IC 16-22-6-18.

(f) An individual who is a:

- (1) board member in the member's capacity as a board member; or
- (2) member of:
 - (A) the county executive; or
 - (B) the county fiscal body;

is immune from potential or actual liability attributable to the individual with respect to a sale or lease under subsection (e).

(g) In the event of a sale or lease under this section, the county is not liable for:

- (1) any liabilities of the hospital that:
 - (A) were incurred on or before; or

(B) are incurred at any time after;
the sale or lease date; or

(2) any future liabilities incurred by the successor entity;
unless otherwise agreed to by the county at the time of the sale or
lease in the sale or lease document. Any liabilities described in this
subsection are the responsibility of the purchasing or leasing entity,
unless agreed to otherwise in the sale or lease document.

(h) After the hearing on the proposed sale or lease, if it is
determined by the board, the county executive, and the county fiscal
body that the sale or lease should proceed, the hospital building or
buildings shall be sold or leased in accordance with proposed terms
and provisions.

(i) The board, the county executive, and the county fiscal body
shall execute:

(1) a deed of conveyance upon payment of the purchase price
if the buildings are sold; or

(2) a lease upon terms the board, the county executive, and the
county fiscal body consider reasonable if the buildings are
leased.

(j) The proceeds of the sale or lease of all of the hospital buildings
must first be applied to outstanding indebtedness attributable to the
hospital buildings. The commissioners shall deposit the balance of
the proceeds from the sale or lease and any property in the hospital
fund in:

(1) a nonexpendable interest bearing trust fund from which
claims are paid for county hospital claims for the indigent or
any other fund that the county executive and county fiscal body
designate; or

(2) the county general fund.

*As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.7;
P.L.231-1999, SEC.13; P.L.80-2011, SEC.8.*

IC 16-22-3-18

Transfer of assets to nonprofit corporation or related hospital entity; immunity from liability

Sec. 18. (a) If the board, the county executive, and the county
fiscal body determine that the community the hospital serves can best
be provided with hospital services through management,
enlargement, remodeling, or renovation of the hospital by a nonprofit
hospital corporation, the board, the county executive, and the county
fiscal body may agree by joint resolution, and after following the
procedures of IC 16-22-6-18 concerning notice and hearing, to
transfer all of the assets of the hospital to a nonprofit corporation.

(b) The transfer of the hospital assets to the nonprofit corporation
must be on terms and conditions and for consideration as appears
reasonable. The transfer agreement must require the nonprofit
corporation to assume and agree to pay any indebtedness attributable
to the hospital buildings. The size, composition, and qualifications

of the membership and the board of directors of the nonprofit corporation must be set forth in the corporation's articles of incorporation.

(c) An individual who is a:

(1) board member, in the member's capacity as a board member;

or

(2) member of:

(A) the county executive; or

(B) the county fiscal body;

is immune from potential or actual liability attributable to the individual with respect to a transfer under subsection (b).

(d) In the event of a transfer under this section, the county is not liable for:

(1) any liabilities of the hospital that:

(A) were incurred on or before; or

(B) are incurred at any time after;

the transfer date; or

(2) any future liabilities incurred by the successor entity;

unless otherwise agreed to by the county at the time of the transfer in the transfer document. Any liabilities described in this subsection are the responsibility of the entity to which the assets were transferred, unless agreed to otherwise in the transfer document.

(e) The board, the county executive, and the county fiscal body shall execute a deed of conveyance and other documents necessary to transfer the assets of the hospital to the nonprofit corporation. The county executive shall deposit the proceeds from the transfer in:

(1) a nonexpendable interest bearing trust fund from which claims are paid for county hospital claims for the indigent or any other fund that the county executive and county fiscal body designate; or

(2) the county general fund.

(f) If the nonprofit corporation described in this section ceases doing business, is terminated, or is dissolved, funds or property remaining after payment of all lawful debts become the property of the county. A provision to this effect must be included in the articles of incorporation of the nonprofit corporation and may not be amended or deleted without the written approval of the commissioners.

(g) The board may sell, convey, or otherwise transfer real or personal property from the hospital to an entity related to or controlled by the hospital for constructing buildings on behalf of the hospital. The transfer is not subject to the notice and appraisal requirements under this section. The board may make the transfer upon terms and conditions the board considers appropriate. The board shall issue a deed of conveyance to the transferee.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.8.

IC 16-22-3-18.5

Conveyance of real or personal property to state authority for lease back to hospital

Sec. 18.5. (a) Notwithstanding any requirement or restriction in this chapter on the transfer of real or personal property of the hospital, this section applies if the board determines to obtain financing for capital improvements through the state authority.

(b) The board may convey real or personal property of the hospital by sale or lease to the state authority for lease back to the hospital from the state authority.

As added by P.L.43-1993, SEC.13.

IC 16-22-3-19

Medical care trust board

Sec. 19. (a) This section applies to a medical care trust board appointed by a county executive to govern a nonexpendable trust fund established under section 17(j) or 18(e) of this chapter.

(b) The county executive may adopt an ordinance providing that the medical care trust board is subject to this section.

(c) After the effective date of an ordinance adopted under subsection (b), the medical care trust board may do the following:

(1) Approve and the treasurer may disburse payment of a claim against the trust for payment of hospital and medical services provided to an indigent person and reasonable administrative expenses, without the necessity of filing a claim with the county auditor for approval by the county executive.

(2) Invest the funds of the trust:

(A) in accordance with IC 5-13-9 and guidelines adopted by the board under IC 5-13-9-1; and

(B) without being subject to guidelines adopted by the county executive under IC 5-13-9-1.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.9.

IC 16-22-3-20

Investment of hospital funds

Sec. 20. (a) As used in this section, "financial institution" has the meaning set forth in IC 5-13-4-10.

(b) The board may invest money in the hospital funds within the county or the state as the board determines. The money may be invested in the following:

(1) Any account paying interest and subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number (NOW accounts).

(2) Passbook savings accounts.

(3) Certificates of deposit.

(4) Money market deposit accounts.

(5) Any interest bearing account that is authorized to be set up and offered by a financial institution or brokerage firm registered and authorized to do business in Indiana.

(6) Repurchase or resale agreements involving the purchase and guaranteed resale of any interest bearing obligations issued or fully insured or guaranteed by the United States or any United States government agency in which type of agreement the amount of money must be fully collateralized by interest bearing obligations as determined by the current market value computed on the day the agreement is effective.

(7) Mutual funds offered by a financial institution or brokerage firm registered and authorized to do business in Indiana.

(8) Securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

(9) Pooled fund investments for participating hospitals offered, managed, and administered by a financial institution or brokerage firm registered or authorized to do business in Indiana.

This subsection does not prevent the board from using money in the hospital funds to capitalize projects undertaken under section 1(b) and 1(c) of this chapter.

(c) Any interest derived from an investment under subsection (b) becomes a part of the hospital funds invested. Interest derived from the investment of money raised by bonded or other indebtedness in excess of funds needed for hospital buildings may be applied by the governing board to the appropriate bond redemption, interest, or sinking fund.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-21

Insurance

Sec. 21. (a) The governing board may contract for and purchase, for the protection of the hospital, all types of insurance provided for in the Indiana insurance law in amounts and under terms and conditions the board considers reasonable and necessary. The insurance may include liability or malpractice coverage for the members of the board, the officers, employees, volunteers, and members of medical staff committees while performing services for the hospital. The board may, for the purpose of acquiring malpractice coverage, assist in the formation of a nonassessable mutual insurance company under IC 27-1-6 and IC 27-1-7-19.

(b) The governing board of a hospital organized or operated under this article may enter into a group purchasing agreement to purchase medical malpractice insurance with the following:

(1) One (1) or more hospitals organized or operated under this article.

(2) One (1) or more hospitals organized or operated under IC 16-23.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.9 and P.L.100-2002, SEC.10.

IC 16-22-3-22

Leases

Sec. 22. (a) The governing board may lease a part of the hospital buildings if the board determines that the use of the leased premises will aid the hospital in the performance of the hospital's services. A lease must:

- (1) be in writing;
- (2) be for definite periods; and
- (3) require payment of lease rentals at least monthly.

(b) If the board enters into a lease or sublease contract with the state authority, the board may pledge as security for payment under the contract the funds that the governing board receives from a tax levy under section 27 of this chapter.

As added by P.L.2-1993, SEC.5. Amended by P.L.43-1993, SEC.14.

IC 16-22-3-23

Related facilities and services

Sec. 23. The governing board may do the following:

- (1) Permit the hospital to provide services for the mentally disordered under IC 12-29 and may limit the services to short term care.
- (2) Contract for or establish and maintain a training school for nurses and for paramedical personnel, with a curriculum that conforms to the requirements of the Indiana state board of nursing or other appropriate board.
- (3) Acquire suitable facilities for housing graduate and student nurses in training or employed by the hospital.
- (4) Provide suitable facilities for the temporary detention and examination of persons whose sanity is being officially inquired into preparatory to admission to hospitals for the insane.

However, a person known to be dangerously insane or who has been adjudged insane shall not be confined in or about the hospital unless specific facilities necessary for the temporary confinement of these patients, separate and apart from the other patients, have been provided in the hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-24

Legal status of board

Sec. 24. The board is a body corporate and politic with the style of "The Board of Trustees of _____ Hospital", to include the full name of the hospital. In that name and capacity, the board may do the following:

- (1) Sue and be sued and plead and be impleaded but all actions against the board must be brought in the circuit or superior courts of the county in which the hospital is located.
- (2) Possess the real and personal property of the hospital and the hospital funds in the hospital's corporate name for the

hospital's use and benefit.

(3) Exercise the other powers, duties, and responsibilities set forth in this article.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-25

Eminent domain powers

Sec. 25. If the governing board and the owners of real property needed for hospital purposes cannot agree on the price to be paid for the real property, the board may report the facts to the commissioners who have the power of eminent domain, and condemnation proceedings shall be instituted by the county executive and prosecuted in the name of the county where the hospital is located or to be located by an attorney representing the county.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-26

Loans; sale or factor of accounts receivable; federal loans or guaranties

Sec. 26. (a) The governing board may obtain loans for hospital expenses in amounts and on terms and conditions agreeable to the board and may secure the loans by pledging accounts receivable or other security in hospital funds. If the board enters into a loan agreement for the borrowing of funds from the state authority, the board may pledge as security for payment under the agreement the funds the board receives from a tax levy under section 27 of this chapter.

(b) The board may sell or factor accounts receivable on terms and conditions agreeable to the board.

(c) A county, city, or health and hospital corporation owning and maintaining or leasing at least one (1) hospital or related facilities, a county hospital association under IC 16-22-6, and a building authority under IC 36-9-13 may enter into an agreement with the United States or a department, an agency, or an instrumentality of the United States with respect to loans or guaranties for hospital or related purposes and may borrow money on the terms and conditions of the agreement.

(d) The loans may be:

(1) evidenced by bonds, notes, contractual agreements, or other evidences of indebtedness;

(2) secured in whole or in part by:

(A) pledge of the full faith and credit as a general obligation of the borrower;

(B) the income and revenues of the hospital or related facilities;

(C) rental from the lease of hospital facilities; or

(D) any combination of clauses (A) through (C); and

(3) additionally secured by a mortgage or deed of trust of all or

part of the real or personal property, or both, of the hospital.

(e) Bonds, notes, or other evidences of indebtedness issued in connection with a federal loan under this section may be sold and delivered at private sale without the necessity of public sale or public offering.

As added by P.L.2-1993, SEC.5. Amended by P.L.43-1993, SEC.15.

IC 16-22-3-27

Tax levy support of hospital

Sec. 27. (a) The governing board may request support from the county, either by appropriation from the county general fund or by a separate tax levy, by filing with the county executive on or before August 1 a written budget of the amount estimated to be required to maintain, operate, or improve the hospital for the ensuing year.

(b) If the county provides a direct financial subsidy to a hospital from a tax levy at the time the board exercises the powers under section 1(b) of this chapter, the board may not provide the funds from a tax levy to an entity created under section 1(b) of this chapter for more than three (3) years. After three (3) years, all funds, with interest, must be repaid within ten (10) years.

(c) If the board enters into a lease or sublease contract or a loan agreement with the state authority, the board may request the county to adopt a separate tax levy to support the board's obligation to make payments under that contract or agreement.

As added by P.L.2-1993, SEC.5. Amended by P.L.43-1993, SEC.16.

IC 16-22-3-27.5

Payment of lease or loan from taxes

Sec. 27.5. (a) This section applies in a county when:

- (1) the board has authorized the hospital to enter into a lease or sublease contract or a loan agreement with the state authority under this chapter; and
- (2) the lease or sublease contract or the loan agreement provides that a portion of the lease or loan payment is to be paid from taxes.

(b) The county council or the city-county council in the case of a county with a consolidated city shall annually levy a tax that is sufficient to produce each year along with other available funds an amount that is sufficient to pay the portion of the lease or loan payment that is required to be paid from taxes.

(c) The board shall transfer the following to a fund to be used to pay the portion of the lease or loan payment that is not required to be paid from taxes:

- (1) Any net revenue of the hospital that is required to be used for the lease or loan payment.
- (2) Any net revenue of the hospital that is required to be retained as a reserve for a purpose that the board determines if the board determines that the money is not needed in reserve for

additional construction, equipment, betterment, maintenance, or operation.

(d) In fixing and determining the levy that is necessary for the lease or loan payment that is payable from taxes, the county council shall consider the amounts that have been transferred from the net revenues of the hospital under subsection (c).

(e) If funds other than taxes are not available to pay the portion of the lease or loan payment that is required to come from taxes, a county is not relieved from the county's obligation to pay from taxes any lease or loan payment that is payable from taxes.

(f) The tax levy provided in this section is reviewable in the manner that other tax levies are reviewable to ascertain that the levy is sufficient to produce the amount of the lease or loan payment that is required to be paid from taxes.

(g) One-half (1/2) of the annual lease or loan payment shall be paid semiannually to the state authority after the semiannual settlement of tax collections.

As added by P.L.43-1993, SEC.17. Amended by P.L.56-1995, SEC.8.

IC 16-22-3-28

Other powers of board

Sec. 28. (a) The governing board may enter into agreements with credit card companies or organizations authorized to do business in Indiana and may accept credit card payments from patients for services provided.

(b) The board may, in the establishment and maintenance of hospital records, use automated data processing systems and purchase, lease, operate, or contract for the use of automated data processing equipment subject to section 6 of this chapter and section 22 of this chapter.

(c) In addition to IC 5-14-1.5-6.1(b), a hospital organized or operated under this article may hold executive sessions to do any of the following:

- (1) Discuss and prepare bids, proposals, or arrangements that will be competitively awarded among health care providers.
- (2) Discuss recruitment of health care providers.
- (3) Discuss and prepare competitive marketing strategies.
- (4) Engage in strategic planning.
- (5) Participate in a motivational retreat with staff or personnel, if the hospital does not conduct any official action (as defined in IC 5-14-1.5-2(d)).

(d) IC 5-14-1.5-5, IC 5-14-1.5-6.1, and IC 5-14-1.5-7 apply to executive sessions held under subsection (c).

(e) A hospital organized or operated under this article may hold confidential, until the information contained in the records is announced to the public, records of a proprietary nature that if revealed would place the hospital at a competitive disadvantage, such as the following:

- (1) Terms and conditions of preferred provider arrangements.
- (2) Health care provider recruitment plans.
- (3) Competitive marketing strategies regarding new services and locations.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.10; P.L.91-2002, SEC.10 and P.L.100-2002, SEC.11.

IC 16-22-3-29

Safekeeping of patient valuables

Sec. 29. (a) The governing board may establish a policy with regard to providing a place for the safekeeping of valuable personal property of patients. The patients or the responsible relatives of the patients shall be notified by posting a notice in a public and conspicuous place or manner at the admitting desk or office in the hospital that a place is provided.

(b) If the valuable personal property is not delivered to the person in charge of the place for deposit, the hospital and the hospital's officers, agents, or employees are not liable for any loss or damage to the property, unless an emergency admission occurs and the patient is unable to deliver the valuable personal property to the place for deposit and no responsible relative is present.

(c) If the personal property is delivered for safekeeping to the person in charge of the office for deposit, the hospital is not liable for loss or damage to the property from any cause in an amount exceeding six hundred dollars (\$600), even if the property is of greater value.

As added by P.L.2-1993, SEC.5.

IC 16-22-3-30

Liberal construction of board powers

Sec. 30. The powers of the board described in this chapter shall be liberally construed to effect the purposes of this article and to enable the hospital to be maintained and operated as a first class hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-4

Chapter 4. Hospital Sinking Funds

IC 16-22-4-1

Authorization for cumulative building or sinking fund

Sec. 1. The county officers may establish a cumulative building fund under IC 6-1.1-41 or a sinking fund in compliance with the procedures for establishing a cumulative fund under IC 6-1.1-41 for the erection of new hospital buildings, the repairing, remodeling, and enlarging of old hospital buildings, and the equipment of new, enlarged, and old hospitals owned and operated by the county, a voluntary nonprofit association, or a nonprofit corporation.

As added by P.L.2-1993, SEC.5. Amended by P.L.17-1995, SEC.18.

IC 16-22-4-2

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-4-3

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-4-4

Tax levy

Sec. 4. The county officers may, in compliance with IC 6-1.1-41, levy a tax on all taxable property within the county to provide money for a fund established under this chapter.

As added by P.L.2-1993, SEC.5. Amended by P.L.17-1995, SEC.19.

IC 16-22-4-5

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-4-6

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-4-7

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-4-8

Repealed

(Repealed by P.L.17-1995, SEC.45.)

IC 16-22-5

Chapter 5. Financing Hospital Buildings

IC 16-22-5-1

Methods authorized

Sec. 1. The methods set out in this chapter may be employed to establish, construct, enlarge, remodel, and acquire county hospital buildings.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-2

Continuation of existing cumulative building funds

Sec. 2. Cumulative building funds established under the following statutes are continued in full force and effect, and the county officers authorized and empowered to levy the taxes to provide those funds may continue to do so in accordance with the proposal or plans establishing those funds:

(1) IC 16-12-16 (before its repeal on September 2, 1971).

(2) IC 16-12-15 (before its repeal on July 1, 1993).

(3) IC 16-12.1-4 (before its repeal on July 1, 1993).

As added by P.L.2-1993, SEC.5.

IC 16-22-5-3

Establishment of cumulative building funds; petition

Sec. 3. (a) A cumulative building fund for the establishment, enlargement, construction, acquisition, equipping, or remodeling of county hospital buildings may be established in accordance with this article.

(b) The board may petition the county executive to levy a tax to establish the fund, setting out in the petition the amount of the proposed tax levy and the number of years for which the tax is to be levied. The county executive shall approve or disapprove the petition and, if approved, establish the amount of the tax levy and the term to be levied.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-4

Tax levy for cumulative building fund

Sec. 4. To provide for the cumulative building fund, a tax on all taxable property within the county may be levied annually for not more than twelve (12) years and may not exceed eleven and sixty-seven hundredths cents (\$0.1167) on each one hundred dollars (\$100) of assessed valuation of property in the county.

As added by P.L.2-1993, SEC.5. Amended by P.L.6-1997, SEC.167.

IC 16-22-5-5

Hearing on tax levy

Sec. 5. The county executive shall set a date for a hearing on the

approval of the tax levy and the county auditor shall publish a notice at least ten (10) days before the date of the public hearing. The notice shall state the date, time, and place of the hearing and the proposed tax levy and term to be levied.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-6

Resolution for tax levy

Sec. 6. If approved following the hearing, the county executive shall by resolution determine the amount of the tax levy and the time to be levied and shall certify the resolution to the county fiscal body for review.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-7

Filing of resolution for approval

Sec. 7. Upon review and approval by the county fiscal body, the county auditor shall file a copy of the resolution and the county fiscal body's action if any with the department of local government finance for approval.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.381.

IC 16-22-5-8

Notice of submitted resolution; petition of objectors

Sec. 8. The department of local government finance shall publish notice of the submission one (1) time. At least twenty-five (25) taxpayers in the county who will be affected by the proposed tax levy may file a petition with the county auditor not later than ten (10) days after publication, setting forth the taxpayers' objections to the proposed tax levy.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.382.

IC 16-22-5-9

Certification of objectors' petition

Sec. 9. Upon the filing of a petition, the county auditor shall immediately certify the petition to the department of local government finance.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.383.

IC 16-22-5-10

Notice of hearing on petition

Sec. 10. (a) The department of local government finance shall, within a reasonable time, fix a date for a hearing to be held in the county and give notice of the hearing to the following:

- (1) The executive director of the hospital.
 - (2) The first twenty-five (25) taxpayers whose names appear on the petition.
- (b) The notice must be in the form of a letter signed by the

secretary or any member of the department of local government finance and sent by mail with full prepaid postage to the executive director at the hospital and to each of the taxpayers at the taxpayer's last and usual place of residence at least five (5) days before the date fixed for the hearing.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.384.

IC 16-22-5-11

Department of local government finance action; appeal

Sec. 11. (a) After the hearing, the department of local government finance shall approve, disapprove, or modify the proposal and certify the department's action to the auditor of the county.

(b) A:

(1) taxpayer who signed a petition filed under section 8 of this chapter; or

(2) county against which a petition under section 8 of this chapter is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the department's action under subsection (a).

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.385; P.L.256-2003, SEC.34.

IC 16-22-5-12

Budgeting and levy of approved tax levy

Sec. 12. If a tax levy is approved by the department of local government finance, the following shall occur:

(1) The county auditor shall include the levy in the annual budget and tax levies of the county for the term fixed in the order of the department of local government finance.

(2) The county fiscal body shall annually levy the tax.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.386.

IC 16-22-5-13

Reduction or rescission of tax levy

Sec. 13. The county fiscal body may, upon request of the board of the hospital, reduce or rescind the tax levy.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-14

Appeals to department of local government finance

Sec. 14. (a) Except when the county fiscal body reduces or rescinds the tax levy upon request of the board of the hospital, if the tax levy is reduced, rescinded, or not levied by the county fiscal body as fixed in the order of the department of local government finance, the board of the hospital may appeal to the department.

(b) An appeal shall be taken and heard in the same manner and

within the same time prescribed by law when appeals are taken by taxpayers or municipal corporations. The notice of the hearing shall be given to the county auditor and to the board of the hospital.

(c) Upon the conclusion of the hearing, the department of local government finance shall affirm the levy and the annual budget. The order of the department of local government finance is final.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.387.

IC 16-22-5-15

Uses of funds from tax levies for cumulative building fund

Sec. 15. As the tax is collected, the levies become a part of the hospital funds without further appropriation by the county fiscal body and may be invested in accordance with IC 16-22-3-20. The levies shall be separately accounted for as a hospital cumulative building fund and may not be used for any purposes other than that for which the cumulative building fund was established, except for the following:

(1) A lease entered into with an authority or the Indiana finance authority under IC 5-1-16 may provide that the lease agreement to pay lease rentals be paid in whole or in part from the hospital cumulative building fund.

(2) If a loan has been obtained for the same purposes for which the cumulative building fund was established, the fund may be used to pay principal and interest on the bonds, notes, or other evidences of indebtedness of the hospital.

As added by P.L.2-1993, SEC.5. Amended by P.L.43-1993, SEC.18; P.L.235-2005, SEC.194; P.L.162-2007, SEC.37.

IC 16-22-5-16

Hospital enlargement or remodeling; general obligation bonds

Sec. 16. After a hospital is established and the governing board appointed, the county executive may issue and sell general obligation bonds of the county to finance the costs of or the enlargement or remodeling of hospital buildings in an amount certified by the board to the county executive to be necessary for that purpose. The bonds shall be authorized, issued, and sold in accordance with laws governing the authorization, issuance, and sale of general obligation bonds by counties. The county fiscal body shall appropriate the proceeds of sale of the bonds to the board for the purposes for which the bonds have been sold. The county budget shall provide for payment of the bonds and the council shall annually levy a tax sufficient to produce each year the necessary funds for payment of the principal and interest on the bonds according to the terms of the bonds.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-17

Loans

Sec. 17. (a) The governing board may borrow money and may secure the borrowing by a pledge of the following:

- (1) Amounts from the cumulative building fund.
- (2) Accounts receivable.
- (3) A security interest in capital equipment for which the proceeds of the loan is used.
- (4) Other security, including the excess of unobligated revenues over operating expenses.

(b) The term of a loan may not exceed thirty-five (35) years.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-18

Appropriation, tax levy, or grant

Sec. 18. Funds may be received by appropriation, tax levy, or grant from any of the following:

- (1) The county in which the hospital is located.
- (2) An adjoining county or counties if permitted by law.
- (3) The state.
- (4) An agency or instrumentality of the United States government.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-19

Federal funds

Sec. 19. The governing board, county executive, or county fiscal body may enter into agreements with the United States or a department, an agency, or an instrumentality of the United States:

- (1) with respect to loans or loan guarantees in accordance with IC 16-22-3-26; or
- (2) to permit the hospital or county to accept a subsidy or payment of all or part of the interest payable on obligations issued and sold for hospital purposes.

As added by P.L.2-1993, SEC.5.

IC 16-22-5-20

Gifts

Sec. 20. The governing board may accept contributions, gifts, devises, or bequests with any lawful limitations, provisions, or conditions for the use that the donor establishes.

As added by P.L.2-1993, SEC.5.

IC 16-22-6

Chapter 6. County Hospital Building Authorities

IC 16-22-6-1

Authority defined

Sec. 1. As used in this chapter, "authority" means the hospital association created by section 2 of this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-2

Resolution for creation of authority; name; purpose

Sec. 2. The county executive of a county owning and operating only one (1) county hospital may, upon written request by the governing board of the hospital, adopt a resolution for the creation of an authority under this chapter. Upon the adoption of the resolution an authority is created which shall be a body corporate and politic known as the "_____ County Hospital Association". The name includes the name of the county. The authority is created for the purpose of financing, acquiring, constructing, renovating, equipping, and leasing to the county land and a building, including an existing building, for hospital purposes. The county auditor shall file a certified copy of the resolution with the clerk of the circuit court of the county in which the authority is created.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-3

Appointment of directors; terms

Sec. 3. (a) Not more than sixty (60) days after the filing of the certified copy of the resolution described under section 2 of this chapter, the county executive shall appoint five (5) residents of the county as directors of the county hospital building authority.

(b) The initial terms of the members of the governing board as follows:

- (1) One (1) member shall be appointed for a term of one (1) year.
- (2) One (1) member for a term of two (2) years.
- (3) One (1) member for a term of three (3) years.
- (4) Two (2) members for terms of four (4) years.

(c) At the expiration of the respective terms of the members of the governing board the county executive shall appoint successors for four (4) year terms. Each member serves until a successor is appointed and qualified.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-4

Vacancies

Sec. 4. If a member dies, resigns, ceases to be a resident of the county, or is removed as provided in this chapter, the county

executive shall appoint another person as a member of the governing board for the remainder of the term. If a person appointed as a member fails to qualify not more than ten (10) days after the mailing of notice of appointment, the county executive shall appoint another person as member.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-5

Director's oath of office

Sec. 5. Each member, before entering office, shall take and subscribe an oath of office to be endorsed upon the certificate of appointment. The oath shall be filed with the clerk of the circuit court.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-6

Removal of director from office

Sec. 6. (a) A member may be removed from office for neglect of duty, incompetency, inability to perform duties, or other good cause by an order of the circuit court, superior court, or probate court in the county in which the authority is located, subject to the procedure set forth in subsection (b).

(b) A complaint may be filed by any person against the director setting forth the charges preferred. The cause shall be placed on the advanced calendar and is tried as other civil causes are tried by the court without the intervention of a jury. If the charges are sustained, the court shall declare the office vacant. A change of venue from the judge shall be granted upon motion, but no change of venue from the county may be taken.

As added by P.L.2-1993, SEC.5. Amended by P.L.84-2016, SEC.85.

IC 16-22-6-7

Selection of officers; meetings; quorum

Sec. 7. (a) The members originally appointed shall hold an organizational meeting not more than thirty (30) days after appointment, at a time and place designated by the county executive. The members of the governing board shall elect from among the members a president, vice president, secretary, and treasurer. The officers serve until the expiration of the first term to expire and the members shall meet annually to reorganize and elect officers not more than thirty (30) days after the appointment of each successor member for a full term.

(b) Other regular and special meetings shall be held at the times and upon the notice that the members determine, by resolution or in accordance with the bylaws, rules, and regulations adopted.

(c) A majority of the members constitutes a quorum and the concurrence of a majority is necessary to authorize any action.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-8**Bylaws, rules, and regulations**

Sec. 8. The members may adopt bylaws, rules, and regulations necessary to conduct proceedings, carry out duties, and safeguard the funds and property of the authority.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-9**Compensation and reimbursement**

Sec. 9. A member serves without pay but is entitled to reimbursement for expenses necessarily incurred in the performance of the member's duties.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-10**Conflicts of interest**

Sec. 10. A member may not have a pecuniary interest in a contract, an employment, a purchase, or a sale made under the provisions of this chapter. A transaction in which a director has a pecuniary interest is void.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-11**Preliminary expenses**

Sec. 11. (a) All necessary preliminary expenses actually incurred by the governing board to make surveys, prepare estimates of costs and receipts, employ architects, engineers, attorneys, or other consultants, give notices, take options, and all other expenses that must be paid before the issue and delivery of bonds under this chapter may be paid by the county from funds on hand or derived from taxes levied that may be appropriated for that purpose or by the governing board of the hospital from revenues available for that purpose.

(b) The county or the governing board of the hospital shall be reimbursed for the preliminary expenses described under subsection (a) by the governing board of the authority out of the first proceeds of the sale of bonds by the authority provided for in this chapter and before any other disbursements are made.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-12**Powers of governing board**

Sec. 12. The governing board of the authority may do the following:

- (1) Finance and construct or renovate a building for hospital use on land owned by the authority and lease the land and building to the county in which the authority has been created.
- (2) Sue and be sued and plead and be impleaded. However, an

action against the authority shall be brought in a circuit or superior court of the county in which the authority is located.

(3) Condemn, appropriate, purchase, and hold real property useful in connection with a building constructed or renovated under this chapter.

(4) Acquire by gift, devise, or bequest real property and personal property, and hold, use, expend, or dispose of real and personal property for the purposes authorized by this chapter.

(5) Enter upon lots or lands to survey or examine the lots or lands and determine the location of a building.

(6) Design, order, contract for, and construct or renovate a building and make all necessary or desirable improvements to the grounds and premises that the board may acquire.

(7) Enter into a lease with the county and collect rentals payable under the lease.

(8) Make and enter into the contracts and agreements necessary or incidental to the performance of the board's duties and the execution of the board's powers under this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-13

Leases

Sec. 13. Each county may lease land and a building from the authority for hospital purposes. A contract of lease on a particular building may not be entered into for more than forty (40) years but the contract may be renewed for a like or lesser time.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-14

Anticipatory lease

Sec. 14. A county may, in anticipation of the construction, erection, or renovation of a building, including the necessary equipment and appurtenances, enter into a contract of lease with the authority before the acquisition of a site and the construction, erection, or renovation of the building. Rental payments under a contract of lease may not commence until construction is completed and the building is ready for occupancy. However, if a building is acquired and renovated, a county may, in anticipation of the acquisition and renovation, make and enter into a contract of lease upon terms and conditions agreed upon by the county and the authority, including terms and conditions permitting the county to continue to operate the building until completion of the renovation and the payment of a lease rental by the lessee during the period of renovation.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-15

Payment of lease rental; sources

Sec. 15. A lease executed under this chapter may provide for the payment of the lease rental in one (1) of the following ways:

- (1) Entirely from the levy of taxes.
- (2) Entirely from the net revenues of the hospital of which the leased building or buildings are a part.
- (3) In part from the levy of taxes and in part from the net revenues as fixed and set forth in the lease.
- (4) From a cumulative building fund established by the lessee under any of the following:
 - (A) IC 16-12-16 (before its repeal on July 1, 1993).
 - (B) IC 16-12.1-4-4 (before its repeal on July 1, 1993).
 - (C) IC 16-22-5.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-16

Payment of lease rentals from hospital net revenues; reserve fund

Sec. 16. (a) If a lease provides for the payment of lease rental in whole or in part from net revenues of the hospital, the lease may provide that the county and the governing board of the hospital establish a reserve fund for net revenues in excess of the amount required to pay lease rental payable from net revenues. The reserve fund:

- (1) may not exceed an amount equal to the amount of lease rental payable from net revenues for two (2) years;
- (2) shall be held and used only for the purpose of paying lease rental payable from net revenues if the net revenues at any time are insufficient for that purpose; and
- (3) may be invested as provided in the lease and all interest or other income from investment becomes part of the reserve fund.

(b) If the fund contains the maximum amount and a part of the lease rental is payable from taxes, the interest or other income shall be transferred to the fund described in section 32 of this chapter to be used for the payment of the lease rental provided to be paid from taxes. If none of the rental is payable from taxes, the interest or other income becomes a part of the reserve fund.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-17

Payment of lease rentals from a cumulative building fund

Sec. 17. (a) If a lease provides for the payment of lease rentals for a cumulative building fund, part or all of the cumulative building fund and the tax levied for the cumulative building fund may be committed and pledged to the payment of lease rental. To the extent the amount is insufficient to pay the lease rental, the lease must provide that the remaining lease rental be paid entirely from the net revenues of the hospital. As long as the lease remains in effect:

- (1) the amount of the cumulative building fund committed and pledged may not be expended by the lessee for any other

purpose; and

(2) the tax levy for that cumulative building fund may not be reduced or rescinded by the county council.

(b) If a lease provides for payment of lease rental as provided in this section, the approval of the county fiscal body is not required for the lease or the sale of land by the county to the authority under section 16 of this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-18

Hearing on terms of proposed lease; notice

Sec. 18. When the authority, the governing board of the hospital, the county executive, and a majority of the county fiscal body of the county have agreed upon the terms and conditions of a lease proposed to be entered into under the terms and conditions of this chapter and before the final execution of the lease, the county auditor shall publish notice of a public hearing to be held in the county by the county executive not less than ten (10) days after the publication of the notice. The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language and published in the county. The notice must name the day, place, and hour of the hearing and must set forth a brief summary of the principal terms of the lease, including a description of the property to be leased, the lease rental, the term of the lease, and where the proposed lease, drawings, plans, specifications, and estimates may be examined. The proposed lease and the drawings, plans, specifications, and estimates of construction cost for the building shall be open to inspection by the public during the ten (10) day notice period and at the meeting. All persons have a right to be heard at the meeting on the necessity for the lease and whether the lease rental is fair and reasonable. The hearing may be adjourned to a later date or dates and to a place fixed before the adjournment.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-19

Authorization and execution of lease

Sec. 19. Following the hearing the county executive may authorize the execution of the lease originally agreed on or make modifications agreed on with the authority, the governing board, and the county fiscal body. The authorization must be by an order entered in the official records of the county executive. The lease shall be executed:

(1) on behalf of the county by at least a majority of the members of the county executive; and

(2) on behalf of the authority by the president or vice president and secretary of the governing board of the authority.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-20**Notice of execution of authorized lease; taxpayer objections**

Sec. 20. (a) If the execution of the original or a modified lease is authorized, notice of the signing shall be published on behalf of the county one (1) time in a newspaper of general circulation and published in the county. Except as provided in subsection (b), at least ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease may file a petition with the county auditor not more than thirty (30) days after publication of notice of the execution of the lease. The petition must set forth the objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

(b) The authority for taxpayers to object to a proposed lease described in subsection (a) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in IC 6-1.1-20.

As added by P.L.2-1993, SEC.5. Amended by P.L.35-1997, SEC.11; P.L.146-2008, SEC.434.

IC 16-22-6-21**Submission of objections to department of local government finance**

Sec. 21. On the filing of the petition the county auditor shall immediately certify a copy, together with other data necessary to present the questions involved, to the department of local government finance.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.388.

IC 16-22-6-22**Hearing by department of local government finance; notice**

Sec. 22. On receipt of the certified petition and information, the department of local government finance shall fix a time and place in the county for the hearing that shall be not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the department of local government finance to the county executive and to the first ten (10) taxpayer petitioners by certified mail sent to the addresses listed on the petition at least five (5) days before the hearing date.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.389.

IC 16-22-6-23**Time for bringing action to contest or enjoin lease**

Sec. 23. An action to contest the validity of the lease or to enjoin the performance of the terms and conditions of the lease may not be instituted more than thirty (30) days after publication of notice of the execution of the lease or, if an appeal is taken to the department of local government finance, not more than thirty (30) days after the decision of the board.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.390.

IC 16-22-6-24

Lease options; renewal or purchase

Sec. 24. (a) A lease:

(1) may provide that the lessee has an option to renew the lease for a like or lesser term; and

(2) must contain an option to purchase at any time after ten (10) years from the execution of the lease and before the expiration of the term of the lease on a date fixed in the lease at a price equal to the amount required to enable the authority to do the following:

(A) Redeem all outstanding securities payable out of the rentals provided for in the lease and all premiums and accrued and unpaid interest payable on that redemption.

(B) Pay all other indebtedness and obligations of the authority attributable to the acquisition, construction, renovation, and leasing of the buildings, including any cost of liquidation of the authority.

(b) The lease does not create an obligation for the county to purchase a leased building or an obligation to a creditor or bondholder of the authority.

(c) A county exercising an option to purchase may issue general obligation bonds to procure funds to purchase the building. The bonds shall be authorized, issued, and sold in accordance with the laws authorizing the issuance and sale of bonds for other county purposes.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-25

Plans and specifications; approval

Sec. 25. Before the execution of a lease the governing board of the hospital and the county executive shall approve the plans, specifications, and estimates of cost for the building, equipment, and appurtenances that the authority proposes to lease to a lessee. The plans and specifications also shall be submitted to and approved by the state department, the division of fire and building safety, and other state agencies designated by law to pass on plans and specifications for public buildings.

As added by P.L.2-1993, SEC.5. Amended by P.L.1-2006, SEC.296.

IC 16-22-6-26

Sale of county land or building to authority; procedure

Sec. 26. (a) A county desiring to erect or renovate a building on land owned or to be acquired by the county may sell land or a building, or both to the authority. Before the sale may take place, the county executive, with the approval of the county fiscal body, shall file a petition with the circuit court of the county requesting the

appointment of:

(1) one (1) disinterested freeholder of the county as an appraiser; and

(2) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana to determine the fair market value of the land and buildings. One (1) of the appraisers described under subdivision (2) must reside not more than fifty (50) miles from the land. The appraisers shall fix the fair market value of the land and buildings and report not more than two (2) weeks after the date of the appraisers' appointment. The county may sell the land and buildings to the authority for an amount not less than the amount fixed as the fair market value by the appraisers. The amount shall be paid in cash upon delivery of the deed by the county to the authority.

(b) If a cumulative building fund exists at the time of the sale under IC 16-12-16 (before its repeal on July 1, 1993), IC 16-12.1-4-4 (before its repeal on July 1, 1993), or IC 16-22-5, the proceeds from the sale shall be placed in the fund. If a cumulative building fund does not exist at the time of the sale, the proceeds from the sale shall be paid into the county hospital fund and the principal and interest shall be used for the purposes set forth in IC 16-22-5. A sale of land or buildings, or both, by a county to the authority shall be authorized by the county executive by an order entered in the official records of the county executive. The deed shall be executed on behalf of the county by the county executive.

As added by P.L.2-1993, SEC.5. Amended by P.L.113-2006, SEC.10.

IC 16-22-6-27

Contiguous counties; agreements for county without hospital to reimburse county with hospital for portion of lease rental; procedure

Sec. 27. (a) As used in this section, "contributing county" means a county without a county hospital that is contiguous to a county with a county hospital.

(b) As used in this section, "lessee county" means a county with a county hospital.

(c) A contributing county may enter into an agreement with a lessee county to reimburse the lessee county for a part of the lease rental each year that is payable by the lessee county upon compliance with this section.

(d) If the county executive of the contributing county finds that the hospital of the lessee county serves the residents of the contributing county and provides needed hospital services to such residents, the county executive may prepare a contribution agreement. Before final execution of the agreement, the auditor of the contributing county shall publish notice of a public hearing to be held in the contributing county by the county executive not less than ten (10) days after publication of the notice. The notice shall be published one (1) time in a newspaper of general circulation and

published in the contributing county. The notice must name the day, place, and hour of the hearing and must set forth a summary of the provisions of agreement as to the amount to be paid each year during the term of the lease by the contributing county and where a copy of the proposed agreement may be examined. All persons interested are entitled to be heard at the time fixed on the necessity for the execution of the agreement. The hearing may be adjourned to a later date at a place fixed before adjournment.

(e) Following the hearing, if a majority of the county fiscal body of the contributing county approve the execution of the agreement, the county executive may authorize the execution of the original agreement or may make the modifications agreed upon with the county fiscal body. The authorization shall be by an order entered in the official records of the county executive. The agreement shall be executed:

- (1) on behalf of the contributing county by at least a majority of the members of the county executive; and
- (2) on behalf of the lessee county by at least a majority of the members of the county executive.

(f) If the execution of the original or modified contribution agreement is authorized, notice of the signing shall be published on behalf of the contributing county by publication one (1) time in a newspaper of general circulation and published in the contributing county. At least ten (10) taxpayers in the contributing county whose tax rate will be affected by the proposed agreement may file a petition with the county auditor of the contributing county not more than thirty (30) days after publication of notice of the execution of the agreement. The petition must set forth the objections to the contribution agreement and facts showing that the execution of the contribution agreement is unnecessary and unwise or that the amount of contribution is excessive. On the filing of the petition, the county auditor shall immediately certify a copy together with other data necessary to present the questions involved to the department of local government finance. The department of local government finance shall fix a time and place in the county for the hearing not less than five (5) or not more than fifteen (15) days after receipt of the certified petition and information. Notice of the hearing shall be given by the department of local government finance to the county executive and to the first ten (10) taxpayer petitioners by certified mail sent to the addresses listed on the petition, at least five (5) days before the date of the hearing.

(g) An action to contest the validity of the contribution agreement or to enjoin the performance of the agreement may not be instituted later than thirty (30) days after publication of notice of the execution of the agreement or, if an appeal has been taken to the department of local government finance, not more than thirty (30) days after the decision of the board.

(h) A contribution agreement may extend for the full term of the

lease or for any part and may provide for reimbursement by the contributing county to the lessee county of a part of the lease rental each year in an amount and upon terms and conditions agreed on between the contributing county and the lessee county. The contributing county shall annually levy a tax sufficient to produce each year the necessary funds sufficient to reimburse the lessee county as provided in the contribution agreement. The tax levies provided for in this section shall be reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the required payments under the contribution agreement. The annual contribution shall be paid semiannually to the lessee county before the date lease rental payments are due from the lessee county.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.391.

IC 16-22-6-28

Agreements between contiguous counties; rights of county citizens

Sec. 28. The citizens of a contributing county under section 27 of this chapter have the same rights and privileges in the hospital as the citizens of the county where the hospital is located.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-29

Revenue bonds; authorization; legal investments; sale

Sec. 29. (a) The governing board may issue revenue bonds of the authority to procure funds to pay the cost of a building to be built, acquired, renovated, or acquired and renovated under this chapter, and to repay advances for preliminary expenses made to the authority by the county. The bonds are payable solely from the income and revenues of the particular building financed from the proceeds of the bonds issued.

(b) The revenue bonds must be authorized by resolution of the governing board. The resolution must provide the following:

- (1) The rate of interest that the bonds will pay if the rate is fixed, and the manner in which the interest rate will be determined if rates are variable.
- (2) The maturity date of the bonds, which may not exceed the term of the lease of the building for which the bonds were issued.
- (3) The extent and the manner that bonds bearing variable interest rates may be converted to bonds bearing a fixed rate of interest.
- (4) The terms of redemption, including a provision that bonds maturing later than ten (10) years after issuance are, at the option of the authority to be exercised by the board, redeemable before maturity at the par value together with premiums.
- (5) The form of the bonds, including the interest coupons to be attached, if any.

- (6) The denominations of the bonds.
- (7) The time and places of payment of principal and interest of the bonds, which must be at least one (1) state or national bank or trust company.
- (8) That the principal and interest may be paid in any lawful medium.

(c) Subject to registration provisions, the bonds have the qualities of negotiable instruments under IC 26 and the bonds are legal investments for a private trust fund and the funds of any banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under the laws of the state.

(d) The bonds may be registered in the name of the owner. The bonds shall be executed by the president or vice president of the board of directors. The corporate seal of the authority shall be affixed and attested by the secretary of the board of directors, and the interest coupons attached to the bonds, if any, shall be executed by placing on the coupons the facsimile signature of the treasurer.

(e) Except as provided in subsection (f), the bonds shall be sold by the governing board at public sale under IC 5-1-11, but the notice of sale shall be published in the manner required for bonds of the county in which the authority is located. Notwithstanding IC 5-1-11-3(c), bonds bearing a variable rate of interest shall be awarded to the bidder offering the best bid in the judgment of the board.

(f) If the aggregate principal amount of bonds to be issued at any one (1) time exceeds ten million dollars (\$10,000,000), the bonds may be sold at public or private sale at a price the governing board determines. If the bonds are sold at public sale, the governing board shall follow the guidelines set forth in subsection (e). If the bonds are sold at private sale, the governing board shall, before selecting a person with whom to negotiate the sale of the bonds:

- (1) solicit and obtain written proposals from at least three (3) persons regularly engaged in the business of underwriting bonds; or
- (2) publish notice of intent to receive written proposals one (1) time in a newspaper or financial journal having general circulation in Indianapolis and a newspaper or financial journal having national circulation.

(g) The governing board shall allow each person at least fourteen (14) days from the date of solicitation or publication to formulate, prepare, and submit a proposal. The board of directors shall select the proposal that the board, in the board's sole discretion, determines to be in the best interest of the authority.

As added by P.L.2-1993, SEC.5. Amended by P.L.42-1993, SEC.14.

IC 16-22-6-30

Application of bond proceeds

Sec. 30. The proceeds of bonds issued under this chapter, after reimbursement to the county for preliminary expenses as provided in section 11 of this chapter, shall be applied to the payment of the costs of acquisition, construction, or renovation of the building for which the bonds are issued, including incidental expenses and interest before acquisition or during construction or renovation. Until the proceeds are applied as required in this section, the proceeds are subject to a lien in favor of the bondholders or trustees.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-31

Security for bonds; trust indenture

Sec. 31. (a) The governing board may secure the bonds by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank in Indiana having trust powers.

(b) The trust indenture may do the following:

(1) Mortgage the land or building, or both, for which the bonds are issued.

(2) Contain reasonable provisions for the following:

(A) Protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the authority and board in relation to the following:

(i) The construction or renovation of the building and the building's insurance.

(ii) The custody, safeguarding, and application of all money.

(B) Setting forth the rights and remedies of the bondholders and trustee.

(C) Restricting the individual right of action of bondholders.

(c) Except as otherwise provided in this chapter, the board of directors may determine by resolution or in the trust indenture the following:

(1) The officer, board, or depositary that shall have custody of the proceeds of the sale of the bonds.

(2) The method of disbursement of the proceeds, including safeguards and restrictions.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-32

Tax levy

Sec. 32. (a) The county fiscal body of a county that has entered into a lease under this chapter shall annually levy a tax sufficient to produce, with other funds available, funds sufficient to pay the lease

rental provided to be paid from taxes.

(b) Net revenues of the hospital of which the leased building is a part shall, if any of the lease rental is payable from taxes, be transferred to a fund used for the payment of the lease rental to be paid from taxes unless those revenues are required:

- (1) to pay lease rental under the lease;
- (2) to be retained as a reserve for that purpose; or
- (3) by the governing board of the hospital to be kept in reserve for additional construction, equipment, betterment, maintenance, or operation.

(c) In fixing and determining the amount of the levy necessary to pay lease rental payable from taxes, the county fiscal body shall consider the amounts transferred from the net revenues of the hospital as provided in this chapter. This chapter does not relieve the county from the obligation to pay from taxes any lease rental payable from taxes if other funds are not available. The tax levies provided for in this chapter are reviewable by other bodies with authority to ascertain that the levies, with other funds available, are sufficient to meet the rental under the lease that is payable from taxes. Lease rental shall be paid semiannually to the authority following settlements of tax collections.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-33

Hospital revenues as source of lease rental payments

Sec. 33. (a) If:

- (1) a county enters into a lease under this chapter, under which the lease rental is payable in whole or in part from the net revenues of the hospital of which the leased buildings are a part; and
- (2) the governing board of the hospital covenants in the lease to establish and maintain rates, fees, and charges for the use of the hospital sufficient in each year to:
 - (A) pay the proper and reasonable expense of operation, repair, replacements, and maintenance of the hospital;
 - (B) pay the lease rental payable from the net revenues of the hospital; and
 - (C) establish the reserve fund provided for in the lease in the full amount in not less than five (5) years;

revenues collected are the revenues of the hospital. The rates, fees, and charges shall be increased as necessary to comply with this section.

(b) The authority may protect and enforce the rights granted under this chapter or under the lease and may enforce and compel performance of all duties required by this chapter or the lease to be performed by:

- (1) the county executing the lease;
- (2) the county executive;

(3) the governing board; or
(4) an officer of the county;
including setting and collecting reasonable and sufficient rates, fees,
and charges for the use of the hospital.

(c) If there is a failure to pay lease rental payable solely from the net revenues of the hospital on the payment date, a court having jurisdiction of the action may appoint a receiver to administer the hospital on behalf of the county and the authority.

(d) The receiver may charge and collect rates sufficient to do the following:

- (1) Pay the proper and reasonable expense of operation, repair, replacements, and maintenance of the hospital.
- (2) Pay the lease rental payable from the net revenues of the hospital.
- (3) Establish the full amount of the reserve fund provided for in the lease in not less than five (5) years.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-34

Exemption from state taxation

Sec. 34. The following are exempt from state taxation except for the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1:

- (1) Property owned by the authority.
- (2) Revenues of the authority.
- (3) Bonds or other securities and the interest on bonds and securities issued by the authority.
- (4) Proceeds received by a holder from the sale of the bonds, to the extent of the holder's cost of acquisition.
- (5) Proceeds received upon redemption at or before maturity and the interest on the proceeds.

As added by P.L.2-1993, SEC.5. Amended by P.L.254-1997(ss), SEC.23.

IC 16-22-6-35

Audit of funds; officer and employee bonds; records

Sec. 35. The state board of accounts may supervise and audit the funds of the authority. An officer or employee of the authority authorized to receive, disburse, or in any way handle funds or negotiable securities of the authority shall execute a bond payable to the state, with surety to consist of a surety or guaranty corporation qualified to do business in Indiana, in an amount determined by the board. The bond must be conditioned upon the faithful performance of the officer's or employee's duties and the accounting for all money and property that may come under the officer's or employee's control. The cost of the bonds shall be paid out of funds of the authority. The records of the authority are public records.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-36**Liquidation of authority**

Sec. 36. An authority may be liquidated after the authority's securities are redeemed, debts are paid, and leases are terminated if the board of directors files a report with the circuit court, superior court, or probate court showing the facts and stating that the liquidation is in the best public interest. The court shall find the facts and make an order book entry ordering the authority liquidated.

As added by P.L.2-1993, SEC.5. Amended by P.L.84-2016, SEC.86.

IC 16-22-6-37**Building additions; funding**

Sec. 37. (a) A county or the governing board of the hospital may remodel or construct an addition to a hospital building leased under this chapter.

(b) To provide funds for that purpose, the county may issue general obligation bonds or appropriate money from the county's general fund or other funds available for that purpose if the hospital building is owned by the county. The governing board of a hospital may use funds available to the board if the hospital building is owned by the county.

As added by P.L.2-1993, SEC.5. Amended by P.L.252-2015, SEC.24.

IC 16-22-6-38**Agreements**

Sec. 38. A county and an authority that have entered into or propose to enter into a lease under this chapter may enter into a party wall agreement or other agreement concerning the attaching of an addition to a hospital building if the agreement is approved by the governing board of the hospital and recorded with the recorder of the county in which the hospital is located. The agreement may provide for an easement or a license to construct a part of an addition over or above the existing hospital building.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-39**Lease approval of county fiscal body**

Sec. 39. For the purposes of this chapter, county executive action or approval for the appropriation and expenditure of county tax money includes approval by the county fiscal body. A lease entered into by the county executive with the hospital building authority or association is not valid or binding on the county unless the lease is approved by a majority vote of the county fiscal body.

As added by P.L.2-1993, SEC.5.

IC 16-22-6-40**Compliance with other laws**

Sec. 40. In proceeding under this chapter, it is not necessary to

comply with any other law except as otherwise expressly provided
in this chapter.
As added by P.L.2-1993, SEC.5.

IC 16-22-7

Chapter 7. Hospital Building Authorities in County With Hospital Operated Under IC 16-23-1

IC 16-22-7-1

Authority defined

Sec. 1. As used in this chapter, "authority" means the hospital association created by section 5 of this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-2

Governing body defined

Sec. 2. As used in this chapter, "governing body" means the county executive of a county or the legislative and fiscal body of a city.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-3

Net operating revenue defined

Sec. 3. As used in this chapter, "net operating revenue" means the revenues of the hospital, exclusive of any property tax levy remaining after provision for reasonable expenses of operation, repair, replacements, and maintenance of the hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-4

Recording officer defined

Sec. 4. As used in this chapter, "recording officer" when used in reference to a county means the county auditor and when used in reference to a city means the city clerk or clerk-treasurer.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-5

Creation of authority; resolution

Sec. 5. (a) In a county where a city hospital is operated under IC 16-23-1, the county executive may, upon written request of the governing board of the city hospital, adopt a resolution for the creation of an authority under this chapter.

(b) The adoption of a resolution creates an authority, which is a body corporate and politic to be known as the "_____ County Hospital Association". The authority is created for the purpose of financing, acquiring, constructing, equipping, and leasing to the county or the city in which the authority is created land and buildings for the use and benefit of the city hospital.

(c) The county auditor shall file a certified copy of the resolution with the judge of the circuit court of the county in which the authority is created.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-6

Governing board; appointment; terms

Sec. 6. (a) Not more than thirty (30) days after the adoption of the resolution, the county executive shall appoint five (5) residents of the county as the governing board of the hospital building authority. Written notice shall be sent to each appointee.

(b) The initial terms are as follows:

- (1) One (1) member for a term of one (1) year.
- (2) One (1) member for a term of two (2) years.
- (3) One (1) member for a term of three (3) years.
- (4) Two (2) members for a term of four (4) years.

(c) At the expiration of the term of a member, the county executive shall appoint a successor for a four (4) year term. Each member serves until a successor is appointed and qualified.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-7

Disqualification or removal of appointee; successor

Sec. 7. If a member dies, resigns, ceases to be a resident of the county, or is removed, the county executive shall appoint another person as director for the remainder of the term. If a person appointed as a member fails to qualify not more than ten (10) days after the mailing of notice of appointment, the county executive shall appoint another person as member for that term.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-8

Oath of office of director

Sec. 8. Each member, before entering upon the director's duties, shall take and subscribe an oath of office in the usual form to be endorsed upon the director's certificate of appointment. The oath shall be filed with the clerk of the circuit court.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-9

Removal of member from office

Sec. 9. (a) A member of the governing board may be removed from office for neglect of duty, incompetency, inability to perform duties, or other good cause by an order of the circuit court, superior court, or probate court in the county in which the authority is located, subject to the procedure in subsection (b).

(b) A complaint may be filed by any person against a member setting forth the charges preferred. The cause shall be placed on the advanced calendar and be tried as other civil causes are tried by the court without the intervention of a jury. If the charges are sustained, the court shall declare the office vacant. A change of venue from the judge shall be granted upon motion, but a change of venue from the county may not be taken.

As added by P.L.2-1993, SEC.5. Amended by P.L.84-2016, SEC.87.

IC 16-22-7-10

Meetings of the governing board

Sec. 10. (a) The governing board originally appointed shall hold an organizational meeting not more than thirty (30) days after appointment at a time and place designated by the judge of the circuit court. The governing board shall elect a president, vice president, secretary, and treasurer from among the members. The officers serve until the expiration of the first term to expire.

(b) The governing board shall meet annually to reorganize not more than thirty (30) days after the appointment of each successor member for a full term.

(c) Other regular and special meetings shall be held at the times and on the notice that the governing board determines by resolution or in accordance with the bylaws, rules, and regulations adopted.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-11

Bylaws, rules, and regulations

Sec. 11. The governing board may adopt bylaws, rules, and regulations to conduct proceedings, carry out duties, and safeguard the funds and property of the authority.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-12

Quorum; reimbursement of expenses

Sec. 12. A majority of the governing board constitutes a quorum and the concurrence of a majority is necessary to authorize any action. Members serve without pay but are entitled to reimbursement for expenses necessarily incurred in the performance of the members' duties.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-13

Conflicts of interest

Sec. 13. If a member of the governing board has any pecuniary interest in a contract, an employment, a purchase, or a sale made under this chapter, the director shall disclose that interest and shall not vote on the matter. If the member fails to disclose the interest, the transaction is voidable if a suit is filed in circuit court, superior court, or probate court in not less than thirty (30) days.

As added by P.L.2-1993, SEC.5. Amended by P.L.84-2016, SEC.88.

IC 16-22-7-14

Preliminary expenses

Sec. 14. (a) All necessary preliminary expenses actually incurred by the governing board to make surveys, prepare estimates of cost

and receipts, employ architects, engineers, attorneys, or other consultants, give notices, take options, and all other expenses necessary to be paid before the issue and delivery of bonds under this chapter may be paid by the:

- (1) city hospital or city, from funds on hand or derived from taxes levied that may be appropriated for that purpose; or
- (2) board of trustees or board of managers of the hospital from revenues available for such purposes.

(b) The city or the governing board of the hospital from which the payments are made shall be fully reimbursed by the governing board out of the first proceeds of the sale of bonds by the authority before any other disbursements are made.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-15

Authority to finance and construct hospital building

Sec. 15. The governing board of the authority may finance and construct a hospital building for use by the city hospital operating under IC 16-23-1, on land owned or leased by the authority as set forth in section 28 of this chapter, and lease the land and buildings to the county or city for the use and benefit of the city hospital in accordance with this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-16

Powers of governing board

Sec. 16. The governing board, acting in the name of the authority, may do the following:

- (1) Sue and be sued and plead and be impleaded. Actions against the authority shall be brought in the circuit or superior courts of the county in which the authority is located.
- (2) Condemn, appropriate, purchase, and hold real property needed or considered useful in connection with buildings constructed under this chapter.
- (3) Acquire by gift, devise, or bequest real and personal property, and hold, use, expend, or dispose of the real and personal property for the purposes authorized by this chapter.
- (4) Enter upon real property to survey or examine the real property and determine the location of a building.
- (5) Design, order, contract for, and construct buildings and make improvements to the grounds and premises that are acquired.
- (6) Enter into a lease with the county or city for the use and benefit of a city hospital operated under IC 16-23-1 and collect rentals payable under the lease.
- (7) Make and enter into contracts and agreements necessary or incidental to the performance of the board's duties and the execution of the board's powers under this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-17

Leasing land and buildings for hospital

Sec. 17. The county or city may lease land and buildings from the authority for the city hospital. A lease on the buildings may not be entered into for more than forty (40) years but the lease may be renewed for a like or lesser time.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-18

Time for making leases

Sec. 18. The county or city may, in anticipation of the construction and erection of buildings, including necessary equipment and appurtenances, enter into a lease with the authority before the acquisition of a site and the construction and erection of the buildings. Rental payments under the lease may not begin until construction is completed and the building is ready for occupancy.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-19

Source of lease rental payments

Sec. 19. (a) A lease from the authority to the county may provide for the payment of the lease rental from the levy of taxes reduced by net revenues of the hospital and other funds available as provided in section 37 of this chapter.

(b) A lease from the authority to the city may provide for the payment of lease rental from the net revenues of the hospital of which the buildings are a part.

(c) A lease from the authority to the city providing for the payment of a lease rental from net revenues of the hospital may provide that the board of trustees or board of directors of the hospital establish a reserve for net revenues in excess of the amount required to pay the lease rental payable from net revenues. The reserve fund may not exceed an amount equal to the amount of lease rental payable from net revenues for two (2) years. The reserve fund shall be held and used only for the purpose of paying lease rental payable from net revenues if the net revenues are insufficient for that purpose. The amount in the reserve fund may be invested as provided in the lease and all interest or other income from the investment becomes part of the reserve fund. If the fund contains the maximum amount the interest or income shall be transferred to the city hospital and be a part of the general revenues of that hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-20

Cumulative building fund as lease rental payment source

Sec. 20. Part or all of the cumulative building fund of the city

hospital in existence at the time of execution of the lease to the lessee, or during the term of the lease, may be used to pay lease rental or may be held as a reserve for the payment of future lease rentals. The reserve fund described in this section is distinct from a reserve fund established under section 19 of this chapter. The board of directors of the hospital may decrease or eliminate the reserve fund unless the lease provides otherwise. The reserve fund may not exceed an amount equal to the amount of lease rental payable from net revenues for two (2) years. Interest or income on the reserve fund shall be transferred to the cumulative building fund of the city hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-21

Notice and hearing on proposed lease

Sec. 21. (a) When the authority, the governing board of the hospital, the county executive, and the county fiscal body of the county or the city fiscal body have agreed on the terms and conditions of a proposed lease and before the final execution of the lease, the recording officer shall publish notice of a public hearing to be held in the county or city by the governing body of the proposed lessee. The hearing shall be held not earlier than ten (10) days after the date of publication of the notice. The notice must name the day, place, and hour of the hearing and must set forth a brief summary of the principal terms of the lease, including the character and location of the property to be leased, the lease rental to be paid, the lease term, and where the proposed lease, drawings, plans, specifications, and estimates may be examined.

(b) The proposed lease and the drawings, plans, specifications, and estimates of construction cost for the buildings are open to inspection by the public during the ten (10) days before the meeting and at the meeting.

(c) Interested persons are entitled to be heard at the meeting concerning the necessity for and fairness of the lease. The hearing may be adjourned to a later date and to a place fixed before adjournment.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-22

Authorization and execution of lease

Sec. 22. Following the hearing the governing body may authorize the execution of the lease as originally agreed upon or make modifications as agreed upon with the authority. Authorization shall be by ordinance, order, or resolution entered in the official record of the hospital governing board and the governing body. The lease shall be executed as follows:

- (1) On behalf of the county, by the county executive.
- (2) On behalf of the city, by the city executive and the recording

officer.

(3) On behalf of the city hospital, by the president or vice president and secretary of the governing board.

(4) On behalf of the authority, by the president or vice president and secretary of the governing board.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-23

Notice of execution of lease; petition of objectors; presentment to department of local government finance

Sec. 23. (a) If execution of the original or modified lease is authorized under section 38 of this chapter, notice of the signing shall be published.

(b) Ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease and who believe the lease is unnecessary or the lease rental is not fair and reasonable may file a petition in the office of the county auditor not more than thirty (30) days after publication of notice of the execution of the lease, setting forth the objections and stating facts showing that the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

(c) On the filing of the petition, the county auditor shall immediately certify a copy, together with other data necessary to present the questions involved, to the department of local government finance.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.392.

IC 16-22-7-24

Notice and hearing on objections

Sec. 24. On receipt of the certified petition and information, the department of local government finance shall fix a time and place in the county for a hearing of the matter, which shall be not less than five (5) or more than fifteen (15) days after receipt of the certified petition and information. Notice of the hearing shall be given by the department of local government finance to the city hospital board and to the first ten (10) taxpayer petitioners on the petition by certified mail sent to the addresses listed on the petition, at least five (5) days before the date of the hearing.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.393.

IC 16-22-7-25

Time to contest or enjoin lease

Sec. 25. An action to contest the validity of the lease or to enjoin the performance of the terms and conditions of the lease may not be instituted later than thirty (30) days after publication of notice of the execution of the lease or, if an appeal is taken to the department of local government finance, not more than thirty (30) days after the decision of the board.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.394.

IC 16-22-7-26

Terms of lease

Sec. 26. (a) A lease may provide the lessee with an option to renew the lease, with approval of the board of directors of the city hospital, for a like or lesser term. The lease must contain an option for the city hospital to purchase at any time after ten (10) years from the execution of the lease and before the expiration of the lease on dates in each year fixed in the lease, at a price equal to the amount required to enable the authority to do the following:

- (1) Redeem all outstanding securities payable out of the rentals provided in the lease and all premiums payable on the redemption and accrued and unpaid interest.
- (2) Pay all other indebtedness and obligations of the authority attributable to the construction and leasing of the buildings, including the cost of liquidation of the authority.

(b) A lease may not create an obligation for the lessee or city hospital to purchase the leased buildings or create any obligation to creditors or bondholders of the authority.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-27

Issuance of bonds

Sec. 27. The county fiscal body may issue general obligation bonds to procure funds to purchase the building. The bonds shall be authorized, issued, and sold in accordance with the laws authorizing the issuance and sale of bonds for other county purposes.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-28

Approval of plans and specifications

Sec. 28. Before executing a lease, the governing board of the hospital shall approve the plans, specifications, and estimates of cost for the building, including equipment and appurtenances, that the authority proposes to lease to a lessee. The plans and specifications shall be submitted to and approved by the state department, the division of fire and building safety, and other state agencies designated by law to pass on plans and specifications for public buildings.

As added by P.L.2-1993, SEC.5. Amended by P.L.1-2006, SEC.297.

IC 16-22-7-29

Lease of land to authority by hospital, municipality, or county; option to purchase; price

Sec. 29. (a) The city hospital, city, or county desiring to erect buildings on land owned or acquired by the city hospital, city, or county may lease land to the authority for a nominal rental for the

same period, including renewal periods, that the lessee proposes to lease the particular land or buildings to be constructed from the authority. The city hospital, city, or county may grant an option to the authority to purchase the land not more than six (6) months after the expiration of the lease from the authority on the land or buildings if the city hospital or lessee does not exercise an option to purchase the buildings within the terms of the lease. If the option price on the land is not fixed in the original lease, the price shall be determined by an appraisal made by:

(1) one (1) disinterested freeholder residing in the county; and
(2) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana appointed by the judge of the circuit court. One (1) of the appraisers appointed under subdivision (2) must reside not more than fifty (50) miles from the land.

(b) A lease of land by the city hospital, city, or county must be authorized by the city legislative body, the county executive, or governing board of the hospital, respectively, and a resolution, an order, or an ordinance must be entered in the official records of the governing body. Authorization may be given before or concurrently with the authorization of the lease from the authority to the lessee. The authorization to lease land to the authority is contingent upon the authorization to lease land from the authority. The lease to the authority shall be executed on behalf of the following:

- (1) The city by the city executive and the recording officer.
- (2) The county by the county executive and auditor.
- (3) The authority by the president or vice president and secretary of the governing board.

As added by P.L.2-1993, SEC.5. Amended by P.L.113-2006, SEC.11.

IC 16-22-7-30

Sale of land to authority by hospital, municipality, or county

Sec. 30. (a) The city hospital, city, or county desiring to have buildings erected on land owned or acquired by the city hospital, city, or county may sell the land to the authority. Before the sale may take place, the legislative body of the city, the governing board of the hospital, or executive of the county having authorized the sale shall file a petition with the circuit court of the county requesting the appointment of:

- (1) one (1) disinterested freeholder of the county as an appraiser; and
- (2) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana to determine the fair market value of the land. One (1) of the appraisers appointed under subdivision (2) must reside not more than fifty (50) miles from the land. Upon appointment, the appraisers shall fix the fair market value of the land and shall report not more than two (2) weeks after the date of the appraisers' appointment. The city hospital, city, or county may sell the land to the authority for an amount not less than the amount fixed

as the fair market value by the appraisers. The amount may be paid from proceeds of bonds of the authority.

(b) The city legislative body must authorize the sale of land owned by the city by resolution or ordinance and the deed shall be executed by the city executive and city clerk.

(c) The governing board must authorize the sale of land owned by the city hospital by resolution and the deed shall be executed by the president or vice president and the secretary of the governing board.

(d) The county executive must authorize the sale of land owned by the county by resolution or order, and the deed shall be executed by the county executive and the county auditor.

As added by P.L.2-1993, SEC.5. Amended by P.L.113-2006, SEC.12.

IC 16-22-7-31

Issuance of revenue bonds by authority

Sec. 31. (a) The governing board may issue revenue bonds of the authority to procure funds for buildings to be built or acquired under this chapter and to repay advances for preliminary expenses. The bonds are payable from the income and revenues of the buildings financed from the proceeds of the bonds.

(b) The revenue bonds must be authorized by resolution of the board. The resolution must provide the following:

(1) That the bonds bear interest, payable annually or semiannually.

(2) The maturity dates of the bonds, which may not exceed the term of the lease of the buildings for which the bonds are issued.

(3) The terms of redemption, including a provision that bonds maturing after ten (10) years from the date of issuance are, at the option of the authority, redeemable before maturity at the bonds' par value together with premiums.

(4) The form of the bonds, including the interest coupons attached, if any.

(5) The denominations of the bonds.

(6) The places of payment of principal and interest, which shall be at least one (1) state or national bank or trust company.

(7) That the principal and interest may be paid in any lawful medium.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-32

Nature of revenue bonds

Sec. 32. The bonds are negotiable instruments under IC 26-1, and legal investments for private trust funds and the funds of any banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage

guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law. The bonds may be registered in the name of the owner as to principal alone.

As added by P.L.2-1993, SEC.5. Amended by P.L.42-1993, SEC.15.

IC 16-22-7-33

Execution of bonds

Sec. 33. The bonds shall be executed by signature or facsimile signature of the president of the governing board. The corporate seal of the authority or a facsimile shall be affixed and attested by the secretary. The interest coupons attached to the bonds shall be executed by facsimile signature of the treasurer.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-34

Terms of bond sale

Sec. 34. The bonds shall be sold by the board at public sale in the manner described under IC 5-1-11-3(c). However, the bonds may not be sold for less than the bonds' par value. Notice of sale shall be published in the manner required for bonds of a county. Any premium received from the sale of the bonds shall be used solely for the payment of principal and interest on the bonds.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-35

Disposition of bond proceeds

Sec. 35. The proceeds from bonds issued under this chapter, after reimbursement for preliminary expenses as provided in section 14 of this chapter and payment for land, shall be applied to the payment of the costs of the buildings on account of which the bonds are issued, including incidental expenses and interest during construction. Until the proceeds are applied as required in this section, the proceeds are subject to a lien in favor of the bondholders or the trustees.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-36

Security for bonds; trust indenture

Sec. 36. (a) The governing board may secure the bonds by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank in Indiana having trust powers.

(b) The trust indenture may do the following:

(1) Mortgage all or part of the land or buildings, or both, for which the bonds are issued.

(2) Contain reasonable provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants concerning the following:

- (A) Construction of the buildings.
- (B) Insurance for the buildings.
- (C) Custody, safeguarding, and application of all money.
- (3) Set forth the rights and remedies of the bondholders and trustee.
- (4) Restrict the individual right of action of bondholders.

(c) Except as restricted by this chapter, the governing board may determine by resolution or in the trust indenture the officer, board, or depository who shall have custody of the proceeds of the sale of bonds and the method of disbursement of the proceeds, including safeguards and restrictions.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-37 Version a

Tax levy for lease rental payments

Note: This version of section effective until 1-1-2017. See also following version of this section, effective 1-1-2017.

Sec. 37. (a) The county fiscal body shall annually levy a tax sufficient to produce funds that, with other funds available, are sufficient to pay the lease rental provided to be paid from taxes.

(b) If the lease rental is payable from taxes, net revenues of the hospital of which the leased buildings are a part that are not required to be kept in reserve for additional construction, equipment, betterment, maintenance, or operation shall be transferred to a fund for the payment of the lease rental. To the extent that the transferred funds are insufficient to pay the lease rental, cumulative building funds reserved for lease rental payable from taxes under section 20 of this chapter shall be transferred.

(c) In fixing and determining the necessary levy to pay lease rentals payable from taxes, the county council shall consider the amounts transferred from the net revenues of the hospital and may appropriate and pay funds from any available sources, including revenues derived under IC 6-3.5. This subsection does not relieve the county from the obligation to pay from taxes any lease rental payable from taxes if other funds are not available. The tax levies are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to meet the rental under the lease contract that is payable from taxes. The lease rental shall be paid semiannually to the authority.

(d) A lease by the authority to the county may not provide for rentals payable from the levy of a tax by a county unless the lease is approved by a majority vote of the county fiscal body.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-37 Version b

Tax levy for lease rental payments

Note: This version of section effective 1-1-2017. See also preceding version of this section, effective until 1-1-2017.

Sec. 37. (a) The county fiscal body shall annually levy a tax sufficient to produce funds that, with other funds available, are sufficient to pay the lease rental provided to be paid from taxes.

(b) If the lease rental is payable from taxes, net revenues of the hospital of which the leased buildings are a part that are not required to be kept in reserve for additional construction, equipment, betterment, maintenance, or operation shall be transferred to a fund for the payment of the lease rental. To the extent that the transferred funds are insufficient to pay the lease rental, cumulative building funds reserved for lease rental payable from taxes under section 20 of this chapter shall be transferred.

(c) In fixing and determining the necessary levy to pay lease rentals payable from taxes, the county council shall consider the amounts transferred from the net revenues of the hospital and may appropriate and pay funds from any available sources, including revenues derived under IC 6-3.6. This subsection does not relieve the county from the obligation to pay from taxes any lease rental payable from taxes if other funds are not available. The tax levies are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to meet the rental under the lease contract that is payable from taxes. The lease rental shall be paid semiannually to the authority.

(d) A lease by the authority to the county may not provide for rentals payable from the levy of a tax by a county unless the lease is approved by a majority vote of the county fiscal body.

As added by P.L.2-1993, SEC.5. Amended by P.L.197-2016, SEC.115.

IC 16-22-7-38

Lease rentals payable solely from hospital revenues

Sec. 38. (a) A city hospital that enters into a lease under this chapter under which the lease rental is payable solely from the net revenues of the hospital that contains the leased building shall covenant in the lease to establish and maintain rates, fees, and charges sufficient in each year to do the following:

- (1) Pay the proper and reasonable expense of operation, repair, replacements, and maintenance of the hospital.
- (2) Pay the lease rental.
- (3) Establish the reserve fund provided for in the lease in the full amount within not less than five (5) years.

(b) Revenues collected are revenues of the hospital. Rates, fees, and charges shall be increased as necessary to comply with this section.

(c) The authority may protect and enforce the rights granted under this chapter or under the lease and may enforce and compel performance of all duties required under this chapter or under the lease, including setting and collecting reasonable and sufficient rates, fees, and charges. If there is a failure to pay lease rental on the

payment date named in the lease, any court having jurisdiction of the action may appoint a receiver to administer the hospital on behalf of the city and the authority. The receiver may charge and collect rates sufficient to do the following:

- (1) Pay the proper and reasonable expense of operation, repair, replacements, and maintenance of the hospital.
- (2) Pay the lease rental payable solely from the net revenues of the hospital.
- (3) Establish the full amount of reserve fund provided for in the lease within not less than five (5) years as may be provided in the lease.

(d) A lease by the authority may not provide for rentals payable from net revenues of the city hospital unless the lease is approved by a majority of the board of directors of the city hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-39

Exemptions from state taxation

Sec. 39. The following are exempt from state taxation except the financial institutions tax and the state inheritance tax:

- (1) All property owned by the authority.
- (2) All revenues of the authority.
- (3) All bonds or other securities issued by the authority and the interest on the bonds or other securities, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption at or before maturity and the interest on the proceeds.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-40

Audit of funds; bond of officers and employees

Sec. 40. The state board of accounts may supervise and audit the funds of the authority. Any officer or employee of the authority authorized to receive or disburse funds or negotiable securities of the authority shall execute a bond of a surety or guaranty corporation qualified to do business in Indiana and payable to the state in an amount determined by the board. The bond must be conditioned upon the faithful performance of the officer's or employee's duties and the accounting for all money and property under the officer's or employee's control. The cost of bonds shall be paid by the authority. The records of the authority are public records.

As added by P.L.2-1993, SEC.5.

IC 16-22-7-41

Liquidation of authority

Sec. 41. An authority may be liquidated after redemption of the authority's securities, payment of the authority's debts, and termination of the authority's leases if the governing board files a

report with the circuit court, superior court, or probate court showing the facts and stating that liquidation is in the best public interest. If the court finds the facts, the court shall make an order book entry ordering the authority liquidated.

As added by P.L.2-1993, SEC.5. Amended by P.L.84-2016, SEC.89.

IC 16-22-7-42

Remodeling and additions to hospital

Sec. 42. (a) The governing board of the hospital may remodel or construct an addition to a hospital building leased by the hospital under this chapter.

(b) To provide funds for that purpose, the county may issue general obligation aid bonds or the city hospital or city may appropriate money from the city hospital's or city's general fund or other funds available for that purpose if the hospital building is owned by the city hospital or city. The governing board of the hospital may use any funds available to the board if the hospital building is owned by the city.

As added by P.L.2-1993, SEC.5. Amended by P.L.252-2015, SEC.25.

IC 16-22-7-43

Party wall or other agreements for attaching additions

Sec. 43. A city hospital, city, or county and an authority may enter into a party wall agreement or other agreements concerning the attaching of an addition to a hospital building. The agreements shall be recorded in the office of the recorder of the county in which the hospital building is located. The agreements may provide for an easement or a license to construct a part of an addition over or above the existing hospital building.

As added by P.L.2-1993, SEC.5.

IC 16-22-8

Chapter 8. Health and Hospital Corporation of Marion County

IC 16-22-8-1

Administrative adjudication, decision, or order defined

Sec. 1. As used in this chapter, "administrative adjudication, decision, or order", means the administrative investigation, hearing, and determination of issues or cases applicable to a person, including the following:

- (1) Revocation or suspension of a license or permit.
- (2) Discharge of an official or employee, if that official or employee may only be discharged for cause.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-2

Repealed

(As added by P.L.2-1993, SEC.5. Repealed by P.L.266-2001, SEC.17.)

IC 16-22-8-2.1

Board defined

Sec. 2.1. As used in this chapter, "board" refers to the board of a municipal corporation created under this chapter.

As added by P.L.184-2005, SEC.5.

IC 16-22-8-3

Division defined

Sec. 3. As used in this chapter, "division" means an administrative subdivision created by this chapter or by the board.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.6.

IC 16-22-8-4

Division director defined

Sec. 4. As used in this chapter, "division director" and "director of a division" mean the chief executive officer of a division.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-5

Hospital defined

Sec. 5. As used in this chapter, "hospital":

- (1) means a hospital (as defined in IC 16-18-2-179(b)) that is owned, operated, or managed by a municipality or political subdivision within the territorial jurisdiction of the corporation created by section 6 of this chapter; and
- (2) does not include state or federal owned or operated hospitals.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.7.

IC 16-22-8-6

Creation; powers

Sec. 6. (a) There is created in a county containing a consolidated city a distinct municipal corporation known as "The Health and Hospital Corporation of _____ County".

(b) The municipal corporation, in its corporate name, may do the following:

- (1) Sue and be sued in a court of competent jurisdiction.
- (2) Enter into contracts.
- (3) Acquire and dispose of real, personal, and mixed property by deed, purchase, gift, grant, devise, lease, condemnation, or otherwise.
- (4) Make and adopt appropriate ordinances, regulations, orders, rules, and resolutions.
- (5) Do all things reasonable or necessary to carry out the work and perform the corporation's duties under this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-6.5

Other powers of the governing board

Sec. 6.5. (a) In addition to IC 5-14-1.5-6.1(b), the board may hold executive sessions concerning the division of public hospitals to do any of the following:

- (1) Discuss and prepare bids, proposals, or arrangements that will be competitively awarded among health care providers.
- (2) Discuss recruitment of health care providers.
- (3) Discuss and prepare competitive marketing strategies.
- (4) Engage in strategic planning.
- (5) Participate in a motivational retreat with staff or personnel if the board does not conduct any official action (as defined in IC 5-14-1.5-2(d)).

(b) IC 5-14-1.5-5, IC 5-14-1.5-6.1, and IC 5-14-1.5-7 apply to executive sessions held under subsection (a).

(c) The corporation may hold confidential, until the information contained in the records is announced to the public, records of a proprietary nature that if revealed would place the corporation at a competitive disadvantage, including the following:

- (1) Terms and conditions of preferred provider arrangements.
- (2) Health care provider recruitment plans.
- (3) Competitive marketing strategies regarding new services and locations.

*As added by P.L.91-2002, SEC.11 and P.L.100-2002, SEC.12.
Amended by P.L.184-2005, SEC.8.*

IC 16-22-8-7

Governing board; exercise of powers

Sec. 7. The board shall exercise the executive and legislative powers of the corporation.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.9.

IC 16-22-8-8

Governing board; membership; qualifications

Sec. 8. (a) The board consists of seven (7) members chosen at large from the county in which the corporation is established.

(b) To be eligible to be selected or serve as a member of the board, an individual must have the following qualifications:

(1) Be a resident in the county.

(2) Have been a continued resident in the county for not less than three (3) years immediately preceding the first day of the member's term.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.10.

IC 16-22-8-9

Governing board; appointment of members; term

Sec. 9. (a) The executive of the consolidated city shall appoint three (3) board members, not more than two (2) of whom may belong to the same political party. One (1) member must be a licensed physician.

(b) The board of commissioners of the county in which the corporation is established shall appoint two (2) board members who may not belong to the same political party.

(c) The city-county legislative body shall appoint two (2) board members who may not belong to the same political party. One (1) member shall be appointed for a two (2) year term, and one (1) member shall be appointed for a four (4) year term.

(d) Except as provided in subsection (c), a board member serves a term of four (4) years from the beginning of the term for which the member was appointed until a successor has qualified for the office. Board members are eligible for reappointment.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.11.

IC 16-22-8-9.1

Governing board membership limitation

Sec. 9.1. A member of an appointing authority identified in section 9 of this chapter may not serve on the board.

As added by P.L.100-2002, SEC.13. Amended by P.L.184-2005, SEC.12.

IC 16-22-8-10

Governing board; vacancies; party affiliation

Sec. 10. (a) A vacancy occurs if a board member dies, resigns, changes residence from the county, or is impeached.

(b) If a vacancy occurs or upon the expiration of a term, a member's successor shall be appointed by the authority who originally appointed the member in accordance with this section.

(c) Not more than four (4) board members may belong to the same

political party.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.13.

IC 16-22-8-11

Governing board; impeachment of member

Sec. 11. A board member may be impeached under the procedure provided for the impeachment of county officers.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.14.

IC 16-22-8-12

Governing board; conflicts of interest

Sec. 12. An individual is not prohibited from serving as a board member if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the corporation. However, the member shall disclose the interest or profit in writing to the board. The member shall abstain from voting on any matter that affects the interest or profit.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.15.

IC 16-22-8-13

Governing board; employment conflicts

Sec. 13. A board member is ineligible to hold an appointive office or employment under the corporation.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.16.

IC 16-22-8-14

Governing board; compensation of members; waiver of compensation

Sec. 14. A board member is entitled to receive one thousand two hundred dollars (\$1,200) each year and the member who is chairperson is entitled to receive an additional six hundred dollars (\$600) each year. These payments shall be made quarterly from funds appropriated for that purpose in the regular budget of the corporation. A board member may waive compensation by filing a written notice with the corporation.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.46; P.L.184-2005, SEC.17.

IC 16-22-8-15

Governing board; regular and special meetings

Sec. 15. (a) The board shall by rule provide for regular meetings to be held at a designated interval throughout the year.

(b) The chairperson or a majority of the members of the board may call a special meeting. The board shall by rule establish a procedure for calling special meetings. The corporation shall publish notice of a special meeting one (1) time, not less than twenty-four

(24) hours before the time of the meeting, in two (2) newspapers of general circulation in the county in which the corporation is established.

(c) Regular and special meetings are open to the public. Public notice of meetings must be given as required by IC 5-14-1.5-5.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.47; P.L.184-2005, SEC.18.

IC 16-22-8-16

Governing board; annual meeting; selection of chairperson and vice chairperson; position vacancy

Sec. 16. (a) The board shall hold the annual meeting the second Monday in January of each year. At the meeting, the board shall select from among the members a chairperson and vice chairperson and shall make the appointments of personnel provided under this chapter.

(b) A vacancy occurs if the chairperson or vice chairperson of the board dies, resigns, or is impeached. If the office of chairperson or vice chairperson becomes vacant, the board shall select from among the members a successor chairperson or vice chairperson at the next meeting of the board.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.48; P.L.184-2005, SEC.19.

IC 16-22-8-17

Governing board; quorum; meeting records

Sec. 17. (a) A majority of the board members constitutes a quorum for a meeting. The board may act by an affirmative vote of a majority of the board.

(b) The corporation shall record memoranda from the meeting as required by IC 5-14-1.5-4.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.20; P.L.88-2006, SEC.1.

IC 16-22-8-18

Documents and records; public inspection

Sec. 18. The corporation shall keep the board's documents in the office of the corporation or in an electronic format. The corporation shall record the aye and nay vote on the final passage of any item of business and on any other item if two (2) board members request that the votes be recorded by ayes and nays.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.21; P.L.88-2006, SEC.2.

IC 16-22-8-19

Governing board; rules of procedure

Sec. 19. (a) The board shall adopt rules of procedure for board meetings. The board may suspend the rules of procedure by

unanimous vote of the members present at the meeting. The board shall not suspend the rules of procedure beyond the duration of the meeting at which the suspension of rules occurs.

(b) The board may exercise the powers to supervise internal affairs common to municipal legislative and administrative bodies.
As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.22.

IC 16-22-8-20

Ordinance; introduction of proposal

Sec. 20. A board member may introduce a proposed ordinance at a meeting of the board. The corporation shall prepare proposed ordinances in a standardized manner.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.23.

IC 16-22-8-21

Ordinance; notice of pendency of proposal

Sec. 21. (a) Not less than seven (7) days before a meeting considering the final passage of a proposed ordinance, the corporation shall publish a notice that the proposed ordinance is pending final action. The notice must be published one (1) time in two (2) newspapers with general circulation in the county. Notice of an ordinance establishing a budget must be in accordance with the general law relating to budgets of first class cities.

(b) The notice must state the following:

- (1) The general subject matter of the proposed ordinance.
- (2) The time and place of the meeting.
- (3) The proposed ordinance is available from the corporation.

(c) The corporation may publish in one (1) notice the general subject matter of each ordinance pending final action for which notice has not been given.

(d) An ordinance is not invalid because the reference to the subject matter of the proposed ordinance was inadequate if the reference is sufficient to advise the public of the general subject matter.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.49; P.L.184-2005, SEC.24; P.L.88-2006, SEC.3.

IC 16-22-8-22

Ordinance; copies of proposal for public inspection

Sec. 22. On or before the date of notice of the introduction of a proposed ordinance, the corporation shall provide the proposed ordinance in the office of the corporation or in an electronic format for public inspection.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.25.

IC 16-22-8-23

Ordinance; scheduled meeting; action or postponement

Sec. 23. At a meeting for which notice has been given under

section 21 of this chapter, the board may take final action on the proposed ordinance or may postpone final consideration to a future designated meeting without giving additional notice.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.26.

IC 16-22-8-24

Ordinance; adoption at public meeting; hearing

Sec. 24. The board may adopt an ordinance only at a meeting open to the public. Before adopting an ordinance, any person present at the meeting may give testimony, evidence, or argument for or against the proposed ordinance in person or by counsel. The board may adopt rules concerning the number of persons who may be heard and time limits.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.27.

IC 16-22-8-25

Ordinance; designation of effective date

Sec. 25. The board shall designate the effective date of the ordinance at the meeting at which the ordinance is adopted.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.28.

IC 16-22-8-26

Ordinance; copies for public; codification; publication or electronic format

Sec. 26. (a) The corporation shall make each ordinance the board adopts available to the public. The board shall codify, revise, rearrange, or compile adopted ordinances under IC 36-1-5-3. Ordinances adopted by the board constitute the code of the health and hospital corporation of the county.

(b) The corporation may print or provide the code of the health and hospital corporation of the county in an electronic format for public inspection.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.29.

IC 16-22-8-27

Executive director; term; qualifications; service as board secretary

Sec. 27. (a) The board shall appoint an executive director of the corporation who is qualified by education and experience to serve for a term of four (4) years unless sooner removed. The executive director is eligible for reappointment. The executive director must reside in the county.

(b) In addition to the duties as executive director of the board, the executive director acts as secretary of the board.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.50; P.L.184-2005, SEC.30.

IC 16-22-8-28

Creation of divisions; functions

Sec. 28. (a) The board shall create the following:

- (1) A division of public health.
- (2) A division of public hospitals.
- (3) Other divisions the board considers necessary.

(b) The division of public health shall serve as the county health department with powers and duties conferred by law upon local departments of health.

(c) The division of public hospitals shall operate the corporation's hospitals, medical facilities, and mental health facilities.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.31.

IC 16-22-8-29

Agreements to operate facilities

Sec. 29. The corporation may enter into an agreement with a qualified person or entity to operate a hospital, medical facilities, or mental health facilities.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.32.

IC 16-22-8-30

Public health division; director; term; qualifications

Sec. 30. The board shall appoint a director of the division of public health to serve for a term of four (4) years unless sooner removed for cause. The director is eligible for reappointment. The director must hold a license to practice medicine in Indiana.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.33.

IC 16-22-8-31

Public health division; director; powers; enforcement of orders; petition for isolation or quarantine; venue

Sec. 31. (a) The director of the division of public health has the powers, functions, and duties of a local health officer.

(b) Orders, citations, and administrative notices of violation issued by the director of the division of public health, the director's authorized representative, a supervisor in the division, or an environmental health specialist may be enforced by the corporation in a court with jurisdiction by filing a civil action in accordance with IC 16-42-5-28, IC 33-36-3-5(b), IC 34-28-5-1, IC 36-1-6-4, or IC 36-7-9-17.

(c) A public health authority may petition a circuit or superior court for an order of isolation or quarantine by filing a civil action in accordance with IC 16-41-9.

(d) Unless otherwise provided by law, a change of venue from the county may not be granted for court proceedings initiated under this section.

(e) A change of venue from a judge must meet the requirements in IC 34-35-3-3 for court proceedings initiated under this section.

As added by P.L.2-1993, SEC.5. Amended by P.L.184-2005, SEC.34; P.L.88-2006, SEC.4; P.L.138-2006, SEC.5; P.L.194-2007, SEC.3.

IC 16-22-8-32**Public hospitals division; director; term; qualifications**

Sec. 32. The board shall appoint a director of the division of public hospitals to serve for a term of four (4) years unless sooner removed for cause. The director is eligible for reappointment. The director shall supervise the division of hospitals under the jurisdiction of the corporation and perform the duties prescribed by the board. The director must be qualified in the management of hospitals and in health care financing. The director may be engaged through a contractor managing the hospital under section 29 of this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-33**Repealed**

(As added by P.L.2-1993, SEC.5. Repealed by P.L.184-2005, SEC.38.)

IC 16-22-8-34**Powers of board or corporation**

Sec. 34. (a) The board or corporation may do all acts necessary or reasonably incident to carrying out the purposes of this chapter, including the following:

- (1) As a municipal corporation, sue and be sued in any court with jurisdiction.
- (2) To serve as the exclusive local board of health and local department of health within the county with the powers and duties conferred by law upon local boards of health and local departments of health.
- (3) To adopt and enforce ordinances consistent with Indiana law and administrative rules for the following purposes:
 - (A) To protect property owned or managed by the corporation.
 - (B) To determine, prevent, and abate public health nuisances.
 - (C) To establish isolation and quarantine regulations in accordance with IC 16-41-9.
 - (D) To license, regulate, and establish minimum sanitary standards for the operation of a business handling, producing, processing, preparing, manufacturing, packing, storing, selling, distributing, or transporting articles used for food, drink, confectionery, or condiment in the interest of the public health.
 - (E) To control:
 - (i) rodents, mosquitos, and other animals, including insects, capable of transmitting microorganisms and disease to humans and other animals; and
 - (ii) the animals' breeding places.

- (F) To require persons to connect to available sewer systems and to regulate the disposal of domestic or sanitary sewage by private methods. However, the board and corporation have no jurisdiction over publicly owned or financed sewer systems or sanitation and disposal plants.
- (G) To control rabies.
- (H) For the sanitary regulation of water supplies for domestic use.
- (I) To protect, promote, or improve public health. For public health activities and to enforce public health laws, the state health data center described in IC 16-19-10 shall provide health data, medical information, and epidemiological information to the corporation.
- (J) To detect, report, prevent, and control disease affecting public health.
- (K) To investigate and diagnose health problems and health hazards.
- (L) To regulate the sanitary and structural conditions of residential and nonresidential buildings and unsafe premises.
- (M) To regulate the remediation of lead hazards.
- (N) To license and regulate the design, construction, and operation of public pools, spas, and beaches.
- (O) To regulate the storage, containment, handling, use, and disposal of hazardous materials.
- (P) To license and regulate tattoo and body piercing facilities.
- (Q) To regulate the storage and disposal of waste tires.
- (4) To manage the corporation's hospitals, medical facilities, and mental health facilities.
- (5) To furnish health and nursing services to elementary and secondary schools within the county.
- (6) To furnish medical care to insured and uninsured residents of the county.
- (7) To furnish dental services to the insured and uninsured residents of the county.
- (8) To establish public health programs.
- (9) To adopt an annual budget ordinance and levy taxes.
- (10) To incur indebtedness in the name of the corporation.
- (11) To organize the corporation into divisions.
- (12) To acquire and dispose of property.
- (13) To receive charitable contributions and gifts as provided in 26 U.S.C. 170.
- (14) To make charitable contributions and gifts.
- (15) To establish a charitable foundation as provided in 26 U.S.C. 501.
- (16) To receive and distribute federal, state, local, or private grants.
- (17) To receive and distribute grants from charitable

foundations.

(18) To establish corporations and enter into partnerships and joint ventures to carry out the purposes of the corporation. This subdivision does not authorize the merger of the corporation with a hospital licensed under IC 16-21.

(19) To erect, improve, remodel, or repair corporation buildings.

(20) To determine operating procedures.

(21) To do the following:

(A) Adopt a schedule of reasonable charges for nonresidents of the county for medical and mental health services.

(B) Collect the charges from the patient, the patient's insurance company, or a government program.

(C) Require security for the payment of the charges.

(22) To adopt a schedule of and to collect reasonable charges for medical and mental health services.

(23) To enforce Indiana laws, administrative rules, ordinances, and the code of the health and hospital corporation of the county.

(24) To purchase supplies, materials, and equipment.

(25) To employ personnel and establish personnel policies.

(26) To employ attorneys admitted to practice law in Indiana.

(27) To acquire, erect, equip, and operate the corporation's hospitals, medical facilities, and mental health facilities.

(28) To dispose of surplus property in accordance with a policy by the board.

(29) To determine the duties of officers and division directors.

(30) To fix the compensation of the officers and division directors.

(31) To carry out the purposes and object of the corporation.

(32) To obtain loans for hospital expenses in amounts and upon terms agreeable to the board. The board may secure the loans by pledging accounts receivable or other security in hospital funds.

(33) To establish fees for licenses, services, and records. The corporation may accept payment by credit card for fees. IC 5-14-3-8(d) does not apply to fees established under this subdivision for certificates of birth, death, or stillbirth registration.

(34) To use levied taxes or other funds to make intergovernmental transfers to the state to fund governmental health care programs, including Medicaid and Medicaid supplemental programs.

(b) The board shall exercise the board's powers and duties in a manner consistent with Indiana law, administrative rules, and the code of the health and hospital corporation of the county.

As added by P.L.2-1993, SEC.5. Amended by P.L.1-1994, SEC.87; P.L.184-2005, SEC.35; P.L.1-2006, SEC.298; P.L.88-2006, SEC.5; P.L.145-2006, SEC.133; P.L.1-2007, SEC.132; P.L.121-2007,

SEC.2; P.L.194-2007, SEC.4; P.L.215-2007, SEC.2; P.L.3-2008, SEC.108; P.L.134-2008, SEC.11.

IC 16-22-8-34.5

Insurance

Sec. 34.5. The corporation may enter into a group purchasing agreement to purchase medical malpractice insurance with the following:

(1) One (1) or more hospitals organized or operated under this article.

(2) One (1) or more hospitals organized or operated under IC 16-23.

As added by P.L.91-2002, SEC.12 and P.L.100-2002, SEC.14. Amended by P.L.184-2005, SEC.36.

IC 16-22-8-35

Accounts and records

Sec. 35. The corporation shall keep accounts and records of receipts and disbursements as prescribed by the state board of accounts.

As added by P.L.2-1993, SEC.5. Amended by P.L.88-2006, SEC.6.

IC 16-22-8-35.5

Hospital employee salary information

Sec. 35.5. Any information concerning the specific salaries paid to individual employees of a hospital may be withheld by the hospital from disclosure under IC 5-14-3. However, the information must be provided to the state board of accounts upon request. The state board of accounts shall maintain the confidentiality of the information as required under IC 5-14-3-6.5.

As added by P.L.208-2016, SEC.6.

IC 16-22-8-36

Repealed

(As added by P.L.2-1993, SEC.5. Repealed by P.L.194-2007, SEC.14.)

IC 16-22-8-37

Territorial extent of corporate powers

Sec. 37. The powers, authority, and duties conferred on the corporation and the corporation's officers and employees under this chapter extend throughout the county and may extend outside the county on terms and conditions the board prescribes that are consistent with this chapter.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.51.

IC 16-22-8-38

Transfer of powers and duties from other political subdivision

Sec. 38. Whenever a power, an authority, or duty is imposed by this chapter upon the corporation or the corporation's officers that on July 1, 1952, was imposed on another municipal corporation or political subdivision or the corporation's or political subdivision's officers, power, authority, or duty shall be exercised exclusively by the corporation.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-39

Privileges and use of hospital; discrimination

Sec. 39. (a) A hospital owned, operated, or managed by the corporation shall be for the benefit of the residents of the county and of every person who becomes sick, injured, or maimed within the county.

(b) A patient who is able to pay shall pay to the corporation a reasonable compensation for medicine or hospital services according to the rules prescribed by the board. The board or the board's authorized representative may exclude from the hospital a person who willfully violates the rules. On terms and conditions the board prescribes, the corporation may:

- (1) extend the privileges and use of the hospital, the corporation's health care programs, and health care facilities to persons residing outside of the county; and
- (2) own or operate nursing facilities located inside or outside of the county.

(c) There may not be discrimination against practitioners of any school of medicine holding unlimited licenses to practice medicine recognized in Indiana. The licensed practitioners are entitled to equal privileges in treating patients in the hospital.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.13; P.L.255-2003, SEC.52.

IC 16-22-8-40

Additional hospitals; improvements to existing hospitals

Sec. 40. Whenever the board determines that there is a need for an additional hospital or an addition or improvement to an existing hospital, the board may purchase suitable grounds, construct suitable buildings and improvements for hospital purposes, and do all that is necessary to acquire, establish, construct, erect, equip, and maintain the hospital, addition, or improvement.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-41

Cumulative building fund

Sec. 41. (a) The board may provide a cumulative building fund under IC 6-1.1-41 to erect hospital buildings, additions, or other buildings, remodel buildings, or acquire equipment needed to carry out this chapter. The cumulative building fund may be funded by a

property tax levy under subsection (b), a transfer into the fund of other revenues of the hospital, or a combination of these two (2) methods.

(b) The board may levy a tax in compliance with IC 6-1.1-41 on all taxable property within the county where the corporation is established. However, the levy may not exceed six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of taxable property.

(c) All money in the cumulative building fund may be invested or reinvested in the following:

(1) Securities backed by the full faith and credit of the United States Treasury, including direct obligations of the United States government and obligations of a federal agency or a federal instrumentality that are fully guaranteed by the United States government.

(2) Participation in loans under the conditions and in the manner set forth in IC 5-13-10.5-12.

(d) The treasurer of the corporation may lend any securities in the cumulative building fund under the conditions and in the manner set forth in IC 5-13-10.5-12. Money collected and not invested in government obligations shall be deposited and withdrawn in the manner authorized by law for the deposit, withdrawal, and safekeeping of the general funds of municipalities.

As added by P.L.2-1993, SEC.5. Amended by P.L.57-1993, SEC.13; P.L.17-1995, SEC.20; P.L.18-1996, SEC.30; P.L.6-1997, SEC.168.

IC 16-22-8-42

Eminent domain

Sec. 42. If the corporation and the owner of real property desired for a hospital, a health care facility, or an administrative facility cannot agree on the price, the corporation has the right to condemn. Condemnation proceedings may be instituted in the name of the corporation under IC 32-24.

As added by P.L.2-1993, SEC.5. Amended by P.L.2-2002, SEC.67; P.L.194-2007, SEC.5.

IC 16-22-8-43

Bonds; sale and issuance

Sec. 43. (a) The corporation may issue general obligation bonds to procure funds to pay the cost of acquiring real property or constructing, enlarging, improving, remodeling, repairing, or equipping buildings for use as a hospital, a health care facility, or an administrative facility. The issuance of the bonds shall be authorized by a board resolution providing for the amount, terms, and tenor of the bonds, for the time and character of notice, and the mode of making the sale. The bonds shall be payable not more than forty (40) years after the date of issuance. The bonds shall be executed in the name of the corporation by the executive director.

(b) The executive director shall manage and supervise the preparation, advertisement, and sale of bonds, subject to the provisions of the authorizing resolution. Before the sale of the bonds, the executive director shall publish notice of the sale in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest and best bidder. After the bonds have been sold and executed, the executive director shall deliver the bonds to the treasurer of the corporation and take the treasurer's receipt, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and executive director shall report the actions to the board.

(c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

(1) Notice and filing of the petition requesting the issuance of the bonds.

(2) Notice of determination to issue bonds.

(3) Notice of hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appeal and be heard.

(4) Approval by the department of local government finance.

(5) The right to:

(A) remonstrate in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) Sale of bonds at public sale for not less than the par value.

(d) The bonds are the direct general obligations of the corporation and are payable out of unlimited ad valorem taxes levied and collected on all the taxable property within the county of the corporation. All officials and bodies having to do with the levying of taxes for the corporation shall see that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for payment.

(e) The bonds are exempt from taxation for all purposes but the interest is subject to the adjusted gross income tax.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.395; P.L.192-2002(ss), SEC.158; P.L.1-2003, SEC.62; P.L.194-2007, SEC.6; P.L.146-2008, SEC.435.

IC 16-22-8-44

Bonds to fund or refund judgment

Sec. 44. The board may issue funding or refunding bonds to fund or refund a judgment, bonds, or other obligations of the corporation. The board is not required to file a petition requesting the issuance of funding or refunding bonds.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-45**Tax anticipation warrants**

Sec. 45. (a) Temporary loans may be authorized and made by the board of trustees in anticipation of the collection of taxes of the corporation actually levied and in course of collection for the fiscal year in which the loans are made. The loans shall be authorized by ordinance and evidenced by warrants in the form provided by the ordinance. The warrants must state the following:

- (1) The total amount of the issue.
- (2) The denomination of the warrant.
- (3) The time and place the warrant is payable.
- (4) The rate of interest not exceeding five percent (5%).
- (5) The funds in anticipation of which the warrants are issued and out of which the warrants are payable.
- (6) A reference to the ordinance authorizing the warrant and the date of the warrant's passage.

(b) The ordinance authorizing the temporary loans shall appropriate and pledge sufficient current revenue in anticipation of which the warrants are issued and out of which the warrants are payable. The warrants evidencing the temporary loans shall be executed, sold, and delivered as the bonds of the corporation.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-46**Treasurer**

Sec. 46. The board shall appoint a treasurer of the corporation to serve for a term of four (4) years unless sooner removed for cause. The treasurer shall give bond in the amount and with the conditions prescribed by the board and with surety approved by the board. All money payable to the corporation shall be paid to the treasurer and the treasurer shall deposit the money in accordance with Indiana law relating to the deposit of public funds by municipal corporations. However, if trust funds are received or managed under a trust indenture, the terms and conditions of the trust indenture shall be followed. The treasurer must be a resident of the county.

As added by P.L.2-1993, SEC.5. Amended by P.L.255-2003, SEC.53.

IC 16-22-8-47**Withdrawal of funds**

Sec. 47. Money shall be drawn from the treasury of the corporation under Indiana law.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-48**Auditor**

Sec. 48. (a) The executive director is ex officio the auditor of the corporation. The executive director shall give bond in an amount and with conditions and surety prescribed and approved by the board.

The executive director shall keep an accurate account of appropriations made and taxes levied by the corporation and of money due to the corporation and received and disbursed. The executive director shall preserve all vouchers for payments and disbursements made.

(b) The auditor shall issue all warrants for the payment of money from the funds of the corporation, but no warrant shall be issued for the payment of any claim until the claim has been allowed by the board. All warrants shall be countersigned by the treasurer. Whenever the auditor issues a warrant, the auditor may require evidence that the amount claimed is justly due and in conformity with law. The auditor may summon any officer, agent, or employee of the corporation, or other person, administer an oath or affirmation to that person, and examine that person on oath or affirmation.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-49

Auditor's report

Sec. 49. The auditor shall annually submit to the board, and more often if required by the board, a report of the accounts exhibiting the revenues, receipts, and disbursements, the sources of the revenues and funds, and how the funds have been disbursed.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-50

Budget

Sec. 50. The board shall annually prepare a budget for the operating and capital expenditures of the corporation and shall calculate the tax levy necessary to provide money for the operating and capital expenditures of the corporation. The budget shall be prepared and submitted at the same time and in the same manner and with the notices and review procedures provided by Indiana law relating to budgets by consolidated cities.

As added by P.L.2-1993, SEC.5.

IC 16-22-8-51

Tax assessment and collection

Sec. 51. The tax levy approved by the department of local government finance shall be assessed and collected by the county treasurer of the county within which the corporation is located as other taxes are levied and collected. The county treasurer shall remit all taxes to the treasurer of the corporation.

As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.396.

IC 16-22-8-52

Board of finance functions

Sec. 52. The board shall act as a board of finance in accordance with Indiana law relating to the deposit of public funds by

municipalities.
As added by P.L.2-1993, SEC.5.

IC 16-22-8-53
Surety bond of officers and employees

Sec. 53. The board may require a bond on any of the officers or employees of the corporation in the amount and with the terms and conditions and surety approved by the board.
As added by P.L.2-1993, SEC.5.

IC 16-22-8-54
Repealed

(As added by P.L.2-1993, SEC.5. Repealed by P.L.184-2005, SEC.38.)

IC 16-22-8-55
Borrowing powers; use of funds; loan negotiations; appeal

Sec. 55. (a) The corporation may borrow money on promissory notes issued in the corporation's name, as a municipal corporation, from recognized lending institutions, and pledge as security unlimited ad valorem taxes levied by the corporation and collected on all taxable property within the jurisdiction of the corporation. It is the duty of all officials and bodies with control or discretion over the levying of taxes for the corporation to see that sufficient levies are made to meet the principal and interest on promissory notes. The promissory notes issued under this section shall be treated for taxation purposes the same as bonds issued by a municipal corporation in accordance with IC 6-8-5-1.

(b) Funds obtained by the method provided in this section shall be limited in use to the payment of lease rental for medical, surgical, and related equipment used by the corporation when the board determines that leasing the equipment is more practical and economical than purchasing. The decision to lease rather than purchase is within the sole discretion of the board.

(c) The length, terms, and conditions of promissory notes issued under this section are subject to negotiation between the board or the board's representative and the lending institutions bidding. Before entering into negotiations for the loan, the board of trustees shall publish a notice one (1) time in a newspaper of general circulation in the health and hospital corporation naming a date not less than seven (7) days after the publication of notice on which the board will receive and consider proposals from lending institutions for the making of the loan.

(d) After determination of the board to borrow and to issue promissory notes, and after a determination of the best proposal submitted by lending institutions, the board shall give notice of the board's determination to borrow and to issue promissory notes in the manner provided by IC 6-1.1-20. The taxpayers have the right to

appeal the determination to the department of local government
finance in the manner and within the time provided in IC 6-1.1-20.
As added by P.L.2-1993, SEC.5. Amended by P.L.90-2002, SEC.397.

IC 16-22-9

Chapter 9. Power of Condemnation for Nonprofit General Hospitals in Certain Counties

IC 16-22-9-1

Application of chapter

Sec. 1. This chapter applies to a county containing any of the following:

- (1) A second class city.
- (2) A consolidated city.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-2

General hospital defined

Sec. 2. As used in this chapter, "general hospital" means an inpatient facility open to the general public that admits any combination of maternity, acute, or long term medical or surgical patients and provides personal care, x-rays, laboratory, surgery, and other recognized hospital specialized diagnostic or treatment facilities and services for the purpose of furnishing inpatient medical or surgical care.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-3

General hospital services defined

Sec. 3. As used in this chapter, "general hospital services" means hospital services furnished by a general hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-4

General hospital as public use

Sec. 4. General hospitals owned and operated by nonprofit hospital corporations are declared to be a public use.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-5

Conditions for exercise of eminent domain

Sec. 5. The county executive or the city legislative body of a city in a county subject to this chapter may acquire by condemnation real property or an interest in real property, including any buildings, structures, or other improvements, immediately adjacent to and necessary for the expansion of a general hospital owned and operated by a nonprofit hospital corporation if the following conditions are met:

- (1) The construction of hospital facilities is to begin not more than three (3) years after the date of acquisition by condemnation.
- (2) The county executive or the city legislative body finds that

the acquisition and expansion is necessary.
As added by P.L.2-1993, SEC.5.

IC 16-22-9-6

Use and purposes of condemnation; reversion upon failure to commence hospital construction

Sec. 6. The condemnation and acquisition must be for the use and benefit of and at the expense of the nonprofit hospital corporation as set forth in section 9 of this chapter. If construction of hospital facilities is not commenced not more than three (3) years after the date of acquisition by condemnation, the title to the real property reverts to the person from which the property was acquired. The time for commencing construction is extended by delays caused by strikes, lockouts, fire, or causes beyond the control of the nonprofit hospital corporation.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-7

Commencement of construction; filing of affidavit

Sec. 7. An officer of the corporation shall, not more than sixty (60) days after the commencement of construction, make and file with the county recorder an affidavit showing the date of commencement of construction. An action to effect reversion or to put in issue the commencement of construction within the required time must be commenced not more than two (2) years after the filing of the affidavit.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-8

Terms and conditions of acquisition

Sec. 8. The acquisition and condemnation authorized by this chapter shall be made in accordance with IC 32-24-1 and IC 32-24-6.
As added by P.L.2-1993, SEC.5. Amended by P.L.2-2002, SEC.68.

IC 16-22-9-9

Payment of costs, attorney's fees, and damages to real estate owner

Sec. 9. The:

- (1) costs and expenses incurred in the condemnation proceedings, including reasonable attorney's fees for the condemning authority; and
- (2) award or damages due the owner of the real property taken in the condemnation proceedings;

shall be paid by the nonprofit hospital corporation to the owner of the real property or to the clerk of the court and possession taken by the nonprofit hospital corporation in accordance with IC 32-24-1-10.
As added by P.L.2-1993, SEC.5. Amended by P.L.2-2002, SEC.69.

IC 16-22-9-10

Abandonment of proceedings

Sec. 10. If the nonprofit hospital corporation elects to abandon the condemnation proceedings, the corporation shall pay the expenses or losses actually incurred by the condemning authority arising out of the condemnation proceedings. The nonprofit hospital corporation may enter into the defense against claims or demands arising out of the condemnation proceedings.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-11**Transfer of acquired property**

Sec. 11. When the nonprofit hospital corporation has paid the amount of the award or damages, and all costs and expenses incurred in the condemnation proceedings, including reasonable attorney's fees for the condemning authority, the condemning authority shall transfer, assign, and convey to the nonprofit hospital corporation the real property acquired in the condemnation proceedings.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-12**Operation of benefited hospitals; discrimination; rates and charges; use by nonresidents**

Sec. 12. A nonprofit hospital corporation for whose use and benefit condemnation proceedings are instituted shall be operated for the benefit of all the inhabitants of the county without discrimination. The rates and charges for services must be reasonable and be uniform for all inhabitants of the county. The governing body of the hospital may extend the privileges and use of the hospital to persons residing outside of the county upon terms and conditions the governing body prescribes.

As added by P.L.2-1993, SEC.5.

IC 16-22-9-13**Physician use of facilities**

Sec. 13. The grant or exercise of the power of condemnation under this chapter for the use and benefit of a nonprofit hospital corporation does not control, limit, or alter the right of the nonprofit hospital corporation to determine the physicians that may practice in or admit patients to the hospital.

As added by P.L.2-1993, SEC.5.

IC 16-22-10

Chapter 10. Board of Managers or Trustees of Certain Nonprofit Hospital Associations in Certain Cities

IC 16-22-10-1

Nonsectarian and nonpolitical board

Sec. 1. A county may not appropriate money for the erection, construction, equipment, or maintenance for a nonprofit hospital unless the construction, maintenance, and management of the hospital is under the supervision of a board of managers or board of trustees that is nonsectarian and nonpolitical.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-2

Selection of board members by county executive

Sec. 2. If a county appropriates money for the erection, construction, equipment, or maintenance for a nonprofit hospital, the county executive of the county may select at least one-half (1/2) of the members of the governing board.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-3

Physician board member

Sec. 3. One (1) member of the governing board may be a licensed physician.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-4

Conflict of interest of board member

Sec. 4. An individual is not prohibited from serving as a member of the board of managers or board of trustees if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-5

Vacancies on board; submission of candidate list

Sec. 5. Whenever a vacancy occurs on the governing board, the existing governing board shall submit a list of three (3) candidates for each vacancy to be filled by the appointing authority.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-6

Filling vacancies; procedure

Sec. 6. For each vacancy, the appointing authority may do one (1) of the following:

- (1) Appoint one (1) of the three (3) candidates submitted by the governing board.
- (2) Request and receive from the governing board a second list of three (3) candidates.
- (3) Appoint an individual who meets the requirements concerning board members and who was not named in the initial list submitted by the governing board.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-7

Filling vacancies; second list of candidates

Sec. 7. If the appointing authority requests and receives a second list of three (3) candidates under section 6(2) of this chapter, the appointing authority may do one (1) of the following:

- (1) Appoint one (1) of the three (3) candidates named in the second list.
- (2) Appoint an individual who meets the requirements concerning board members and who was not named in the second list of three (3) candidates submitted by the board of managers or trustees.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-8

Time for filling vacancies

Sec. 8. The appointment for a vacancy shall be made not more than sixty (60) days after the submission of the initial list of candidates under section 5 of this chapter.

As added by P.L.2-1993, SEC.5.

IC 16-22-10-9

Qualification of candidates

Sec. 9. Each candidate submitted by the board of managers or trustees must meet the requirements concerning board members.

As added by P.L.2-1993, SEC.5.

IC 16-22-11

Chapter 11. Receipt by Certain Private or Municipal Hospitals of County Financial Aid for Construction, Equipment, and Improvement; Prohibition Against Discrimination

IC 16-22-11-1

Conditions for granting aid

Sec. 1. If the county executive and county fiscal body of a county without a general county hospital determine that the county has insufficient hospital facilities, the county may give financial aid for the construction, equipment, and improvement of a nonprofit hospital that meets the following conditions:

- (1) Is operated for charitable purposes.
- (2) Is owned and operated by at least one (1) hospital association or owned by a governmental unit in the county and operated by a hospital association.
- (3) Does not limit the membership and officers of the hospital association to residents of a certain section of the county.
- (4) Has a governing board of the hospital association that meets the following conditions:
 - (A) Is nonsectarian and nonpolitical.
 - (B) Is chosen by election by the members of the association.
 - (C) Includes the following:
 - (i) One (1) member designated by the county executive.
 - (ii) One (1) member designated by the county fiscal body.
 - (iii) One (1) member who may be a licensed physician.

As added by P.L.2-1993, SEC.5.

IC 16-22-11-2

Bond issue

Sec. 2. To provide funds for the purpose described in section 1 of this chapter, the county may issue bonds or make appropriations from the county treasury under the general laws governing the issuance of bonds and the making of appropriations by counties.

As added by P.L.2-1993, SEC.5.

IC 16-22-11-3

Conflict of interest of governing board members

Sec. 3. An individual is not prohibited from serving as a member of the governing board if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.

As added by P.L.2-1993, SEC.5.

IC 16-22-11-4

Conditions of hospital operation upon receipt of county aid

Sec. 4. A hospital that receives financial assistance under this chapter:

- (1) shall be operated for the benefit of all of the inhabitants of the county without discrimination;
- (2) must have reasonable rates and charges for service that apply to all inhabitants of the county; and
- (3) may extend the privileges and use of the hospital to persons residing outside of the county upon terms and conditions the board prescribes by rules and regulations.

As added by P.L.2-1993, SEC.5.

IC 16-22-12

Chapter 12. Receipt by Certain Private or Municipal Hospitals of County Financial Aid for Operation, Maintenance, and Enlargement; Prohibition Against Discrimination

IC 16-22-12-1

Counties where chapter applies

Sec. 1. This chapter applies to a county that meets the following conditions:

- (1) Has a hospital that meets the following conditions:
 - (A) Is established at a cost of at least five hundred thousand dollars (\$500,000).
 - (B) Is:
 - (i) owned and operated by a corporation organized under IC 23-17; or
 - (ii) owned by a city within the county and operated, under the terms and conditions of a written lease, by a corporation organized under IC 23-17.
 - (C) The general corporate powers of the corporation are exercised by a board of directors that meets the following conditions:
 - (i) Is composed of residents of the county in which the hospital is located.
 - (ii) Has one (1) member who is a member of or a person designated by the county executive of the county.
 - (iii) May have one (1) member who is a licensed physician.
 - (iv) Is elected by the members of the corporation, who represent each organized church, religious association, labor union, and fraternal, charitable, military, and civic organization in the county.
 - (D) For which the revenue from the care of the hospital's patients and other sources is insufficient to pay the cost of the operation, maintenance, repair, alteration, enlargement, furnishing, and equipment of the hospital.
- (2) Does not own and operate a hospital or provide adequate hospital care.

As added by P.L.2-1993, SEC.5.

IC 16-22-12-2

Conflict of interest of board members

Sec. 2. An individual is not prohibited from serving as a member of the board of directors if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall

abstain from voting on any matter that affects the interest or profit.
As added by P.L.2-1993, SEC.5.

IC 16-22-12-3

County appropriation and tax levy

Sec. 3. The county fiscal body may annually make an appropriation from the county treasury to pay a part of the cost of the operation, maintenance, repair, alteration, enlargement, furnishing, and equipment of the hospital and for that purpose may annually levy a special tax, in an amount to be fixed by the county fiscal body, on all taxable property located in the county.

As added by P.L.2-1993, SEC.5.

IC 16-22-12-4

Conditions of operation of recipient hospitals

Sec. 4. A hospital that receives financial assistance under this section:

- (1) shall be operated for the benefit of all the residents of the county without discrimination;
- (2) must have reasonable rates and charges for service that apply to all residents of the county; and
- (3) may extend the privileges and use of the hospital to persons residing outside of the county on the terms and conditions the board of directors of the corporation that owns or leases the hospital prescribes.

As added by P.L.2-1993, SEC.5.

IC 16-22-12-5

Eligibility of organization operating hospital

Sec. 5. An organized church, a religious association, a labor union, and a fraternal, charitable, military, and civic organization referred to in section 1 of this chapter is one that meets the following conditions:

- (1) Has adopted bylaws.
- (2) A majority of the members are at least twenty-one (21) years of age.
- (3) Has an elected presiding officer and secretary.
- (4) Had at least four (4) regular meetings in the county during the preceding calendar year.
- (5) Has a regular meeting place.

As added by P.L.2-1993, SEC.5.

IC 16-22-12-6

Submission of requests for aid

Sec. 6. A hospital corporation entitled under this chapter to receive aid shall, within the time fixed for townships to file budgets, file with the auditor of the county a written request addressed to the county fiscal body for aid. The request must include a statement of

the facts that entitle the hospital corporation to aid.
As added by P.L.2-1993, SEC.5.

IC 16-22-12-7

Payment of tax collections

Sec. 7. The taxes collected under this chapter shall be paid over to the hospital corporation without further action or proceeding when general taxes are paid over and distributed by the county.

As added by P.L.2-1993, SEC.5.

IC 16-22-12-8

Assistance to more than one hospital corporation

Sec. 8. The county fiscal body may grant the aid provided under section 3 of this chapter to as many hospital corporations in the county as may be entitled to aid.

As added by P.L.2-1993, SEC.5.

IC 16-22-13

Chapter 13. County Financial Aid to Benevolent Hospitals

IC 16-22-13-1

Application of chapter

Sec. 1. This chapter applies to a nonprofit hospital corporation that meets the following conditions:

- (1) Is established in or within one (1) mile of a city.
- (2) Has articles of incorporation or a constitution or bylaws that provide the following:

(A) The incorporators shall be the first board of trustees, which is the sole governing board, and which elects successors at stated periods from reputable citizens of the city and vicinity who meet the following conditions:

- (i) Include one (1) licensed physician.
- (ii) Are persons interested in the benevolent work of the hospital, chosen without reference to political or sectarian influence.
- (iii) Receive no compensation for services.

(B) The corporation's general corporate powers will be exercised by a board of directors, who meet the following conditions:

- (i) May include one (1) licensed physician.
- (ii) Are residents of the county in which the hospital is located and elected by a board of electors consisting of representatives from each organized church, religious association, labor union and fraternal, charitable, military, patriotic, and civic organization in the city.

(3) The revenue derived from the care of persons able to pay for services and from all other sources is expended in the maintenance of the hospital and for the care of persons who are unable to pay, to the extent of the hospital's ability to assist, so that revenues are insufficient to support and maintain the hospital and enable the hospital to supply the demand for hospital care and nursing in the city and community.

As added by P.L.2-1993, SEC.5. Amended by P.L.91-2002, SEC.14 and P.L.100-2002, SEC.15.

IC 16-22-13-2

Conflicts of interest of board members

Sec. 2. An individual is not prohibited from serving as a member of the governing board if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects that interest or profit.

As added by P.L.2-1993, SEC.5.

IC 16-22-13-3

Appropriations to aid hospital; authorization

Sec. 3. If there is no other city or public hospital in the county, the county may appropriate money to aid the hospital for the benefit of the people of the county. The county executive may contract with the governing board of the hospital for the nursing and care of the poor of the county who are sick, injured, or disabled, upon terms that the county officers determine to be just and proper.

As added by P.L.2-1993, SEC.5.

IC 16-22-14

Chapter 14. Levy for Emergency Medical Services

IC 16-22-14-1

"Qualified expenses" defined

Sec. 1. As used in this chapter, "qualified expenses" means expenses incurred by a county hospital to provide emergency medical services (as defined in IC 16-18-2-110).

As added by P.L.154-2006, SEC.67.

IC 16-22-14-2

Request by governing board to county for funding qualified expenses

Sec. 2. The governing board of a county hospital may request support from the county for qualified expenses, either by:

- (1) appropriation from the county general fund; or
- (2) a separate tax levy;

by filing with the county executive on or before August 1 a written budget of the amount estimated to be required to fund qualified expenses for the ensuing year.

As added by P.L.154-2006, SEC.67.

IC 16-22-14-3

County levy for county hospital

Sec. 3. Subject to sections 4 and 5 of this chapter, a county may establish a separate property tax levy for a county hospital to compensate the county hospital for the county hospital's qualified expenses.

As added by P.L.154-2006, SEC.67.

IC 16-22-14-4

Property tax rate limitation

Sec. 4. The property tax rate imposed under this chapter may not exceed the lesser of the following:

- (1) Six cents (\$0.06) on each one hundred dollars (\$100) of assessed valuation.
- (2) The property tax rate that is necessary to generate tax revenues in an amount equal to the county hospital's qualified expenses in the ensuing year, as estimated in the governing body's budget request under section 2 of this chapter.

As added by P.L.154-2006, SEC.67.

IC 16-22-14-5

Property taxes subject to levy limitation

Sec. 5. Property taxes imposed under this chapter are subject to the county's levy limitations imposed under IC 6-1.1-18.5-3.

As added by P.L.154-2006, SEC.67.

IC 16-22-14-6

Levy in addition to other amounts levied for hospital

Sec. 6. The amount levied under this chapter is in addition to any other amount levied for a county hospital.

As added by P.L.154-2006, SEC.67.

IC 16-22-14-7

Appropriation of amount levied; use of money

Sec. 7. An amount levied under this chapter:

(1) must be appropriated as other county funds are appropriated;

and

(2) may be used only for qualified expenses.

As added by P.L.154-2006, SEC.67.