

SUBSTITUTE FOR  
HOUSE BILL NO. 5687

A bill to amend 1987 PA 230, entitled  
"Municipal health facilities corporations act,"  
by amending section 304 (MCL 331.1304), as amended by 1988 PA  
502.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 304. Without limiting the powers described in ~~section~~  
2 ~~301 and elsewhere in~~ this act, each board of trustees and sub-  
3 sidiary board, in furtherance of its purposes and consistent with  
4 its articles of incorporation, but subject to applicable licens-  
5 ing and other regulatory requirements, may do ~~any or all~~ 1 OR  
6 MORE of the following:

7       (a) Establish sites for its health care facilities inside or  
8 outside the local governmental unit and relocate its health care  
9 facilities in the same municipality or elsewhere.

**HB5687, As Passed House, June 30, 1998**

House Bill No. 5687

2

1       (b) Acquire by purchase, gift, devise, lease, sublease,  
2 installment purchase agreement, land contract, option, or by any  
3 other means, hold, and own in its own name health care facilities  
4 and interests ~~therein~~ IN HEALTH CARE FACILITIES and other real  
5 and personal property, including, but not limited to, interests  
6 in condominiums, and property subject to mortgages, security  
7 interests, or other liens, necessary or convenient to fulfill its  
8 purposes; and, for the purpose of condemnation, proceed under the  
9 uniform condemnation procedures act, ~~Act No. 87 of the Public~~  
10 ~~Acts of 1980, being sections 213.51 to 213.77 of the Michigan~~  
11 ~~Compiled Laws~~ 1980 PA 87, MCL 213.51 TO 213.75, or other appli-  
12 cable statute.

13       (c) Construct, add to, repair, remodel, renovate, equip, and  
14 re-equip health care facilities and establish rules, regulations,  
15 or policies conforming with applicable law with respect to  
16 requirements for competitive bidding, advertising, advertising  
17 for bids, and ~~letting~~ AWARDING contracts. However, in all  
18 cases ~~—~~ the right to reject any and all bids ~~shall be~~ IS  
19 reserved.

20       (d) Dispose of its real and personal property by sale,  
21 lease, sublease, installment sale agreement, land contract, or  
22 other lawful means.

23       (e) Purchase, contract for, or acquire administrative, man-  
24 agement, and other services necessary or convenient to the ful-  
25 fillment of its purposes from the local governmental unit and  
26 from other sources and sell these services to the local  
27 governmental unit and to other public and private persons.

1 (f) Apply for, negotiate, receive, and accept gifts or  
2 grants of money, property, services, or other aid offered or made  
3 available to it, and comply, subject to the provisions of this  
4 act and other applicable law, with the terms of ~~such~~ THOSE  
5 gifts, grants, or other aid.

6 (g) Provide insurance ~~—~~ OR reinsurance, obtain  
7 indemnification, or establish programs or trusts for  
8 self-insurance against loss in connection with its assets or any  
9 liability in connection with its activities. ~~The insurance~~  
10 INSURANCE, reinsurance, indemnification, or self-insurance shall  
11 be in ~~such forms and amounts,~~ THE FORM AND AMOUNT and from  
12 ~~such sources, as~~ THE SOURCE THAT it considers appropriate.

13 (h) Invest ITS funds not immediately required for its pur-  
14 poses, funds accumulated to provide retirement or pension bene-  
15 fits, endowment funds created for charitable or educational pur-  
16 poses, and other funds in any manner ~~in which a local governmen-~~  
17 ~~tal unit may then lawfully invest such property~~ and loan its  
18 funds in furtherance of its purposes.

19 (i) Borrow money from the local governmental unit in accord-  
20 ance with section 305(e) and enter into agreements for the repay-  
21 ment of the loans.

22 (j) Grant mortgages, security interests, and other liens in  
23 its real and personal property, sell and lease back its real and  
24 personal property, and pledge its REAL AND PERSONAL property or  
25 ITS revenues in furtherance of its purposes.

26 (k) Guarantee, in whole or in part, bonds, notes, and other  
27 obligations of the local governmental unit undertaken for its

1 benefit. ~~and grant~~ GRANT mortgages, security interests, and  
2 other liens in its real and personal property and pledge its REAL  
3 AND PERSONAL property or revenues to secure obligations of the  
4 local governmental unit undertaken for its benefit, with or with-  
5 out guaranteeing ~~such~~ THOSE obligations.

6       (1) Transfer real or personal property to subsidiary corpo-  
7 rations or parent corporations in furtherance of its purposes or  
8 the purposes of the subsidiary or parent corporations, with or  
9 without monetary consideration, and transfer money and other real  
10 and personal property not required to carry out its purposes to  
11 the local governmental unit.

12       (m) Guarantee, in whole or in part, corporation obligations,  
13 bonds, AND notes ~~—~~ and other obligations of a subsidiary corpo-  
14 ration or a parent corporation.

15       (n) Grant mortgages, security interests, or other liens in  
16 its real and personal property and pledge its REAL AND PERSONAL  
17 property or revenues to secure corporation obligations, bonds,  
18 notes, or other obligations of 1 or more of its subsidiary corpo-  
19 rations or its parent corporation, with or without guaranteeing  
20 ~~such~~ THOSE obligations.