

MUNICIPAL HEALTH FACILITIES CORPORATIONS ACT (EXCERPT)
Act 230 of 1987

331.1209 Board of trustees and subsidiary board incorporated by county; appointment and terms of trustees; qualifications; oath; removal from office; notice of hearing; hearing; vote.

Sec. 209. (1) All of the following apply to each board of trustees of a corporation and subsidiary board of a subsidiary corporation incorporated by a county:

(a) The board shall consist of at least 5 and not more than 15 trustees. The exact number of trustees and the length of their terms of office shall be as specified in the articles of incorporation or as provided under section 203(1).

(b) Except for the initial appointments to a board of trustees or subsidiary board of a newly incorporated corporation or subsidiary corporation, the term of office of a trustee begins on January 1.

(c) The term of office of a trustee appointed to fill a vacancy on a board of trustees or subsidiary board begins when he or she is appointed and continues for the remainder of the term of the former trustee whose position became vacant.

(d) Terms of office of trustees shall be staggered so that an approximately equal number of terms expire at the end of each year or each 2 years, except that terms may be fixed so that the shortest terms do not expire until the end of the second year following the incorporation of a corporation or a subsidiary corporation.

(e) A trustee whose term of office has expired shall continue to serve until his or her successor is appointed.

(f) The chief executive of a corporation established by a county and governed by 1913 PA 350, MCL 331.151 to 331.169, shall serve as a member of the board of trustees until and unless the duly adopted articles of incorporation provide otherwise. The chief executive officer of any other corporation or subsidiary corporation established by a county is eligible to serve on the board of trustees or a subsidiary board, either by appointment or, if provided in the articles of incorporation, ex officio.

(2) If a county incorporates a corporation under this act, the county board of commissioners shall appoint the initial board of trustees. After the initial board of trustees, when a trustee's term of office expires or if a trustee's office is otherwise vacant, the remaining members of the board of trustees shall fill the vacancy with the advice and consent of the county board of commissioners. This subsection does not apply to an ex officio member of a board of trustees who is appointed by a chief executive officer.

(3) Adoption of articles of incorporation for a corporation succeeding a county public hospital organized and existing under 1913 PA 350, MCL 331.151 to 331.169, or 1945 PA 109, MCL 331.201 to 331.213, on February 27, 1988 does not constitute incorporation of a corporation for purposes of subsection (2). The terms of office of trustees serving on the board of that county public hospital shall not be diminished, except that the adopted articles may prospectively establish new lengths of terms of office for the board of trustees, and may prospectively alter the board size.

(4) If a county incorporates a subsidiary corporation, the board of trustees of the parent corporation shall appoint the initial subsidiary board with the advice and consent of the county board of commissioners. After the initial subsidiary board, when a trustee's term of office expires or if a trustee's office is otherwise vacant, the board of trustees of the parent corporation shall fill the vacancy with the advice and consent of the county board of commissioners. This subsection does not apply to an ex officio member of a subsidiary board who is appointed by a chief executive officer.

(5) A trustee of a corporation or subsidiary corporation established by a county shall be chosen based on his or her qualifications for that office, but not more than 1/3 of the trustees serving at any time shall be direct providers of health care. A trustee shall be a resident of the county unless the articles of incorporation permit individuals who are not residents of the county to be a trustee. A trustee of the parent corporation, the chief executive officer of the parent corporation, and the chief executive officer of a subsidiary corporation are eligible for appointment to a subsidiary board and a trustee or chief executive officer of a parent corporation are eligible for appointment as chief executive officer of a subsidiary corporation, and those offices are not incompatible. A trustee is eligible for reappointment.

(6) Within 9 days after commencing his or her term of office, a trustee shall take the oath of office as provided in section 1 of article XI of the state constitution of 1963.

(7) A trustee of a corporation incorporated by a county may be removed from office for cause either by vote of a majority of the members then serving on the county board of commissioners or by vote of a majority of the members then serving on the board of trustees of the corporation. A trustee of a subsidiary corporation incorporated by a county may be removed from office for cause either by vote of a majority of the members then serving on the county board of commissioners or by vote of a majority of the members then serving on

the board of trustees of the parent corporation. As used in this subsection, "cause" includes, but is not limited to, incompetency to properly exercise duties; official misconduct; or habitual or willful neglect of duty, including, but not limited to, failure to attend meetings, including committee meetings, in accordance with standards determined by the board of trustees of the corporation or subsidiary board.

(8) A trustee shall not be removed from office on grounds of misconduct or neglect unless the trustee is served with a notice of hearing and a copy of the asserted ground for removal, and is given full opportunity to be heard, either in person or by counsel, before a vote is taken on the question of removal from office.

History: 1987, Act 230, Eff. Feb. 27, 1988;—Am. 1994, Act 398, Imd. Eff. Dec. 29, 1994;—Am. 2011, Act 195, Imd. Eff. Oct. 18, 2011.