

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

331.1253 Corporation as successor to city or village public hospital; terms of trustees continued; rights, privileges, immunities, and franchises, personal property, debts, and choses in action; interests and licenses; title or interest in real estate; transfer of money and other property; corporation as employer; labor agreement; bargaining representative; liabilities and obligations; claims; pending action or proceeding; rights of creditors; liens.

Sec. 253. (1) If the city or village electors approve the incorporation of a corporation under this act, the corporation shall be considered to be the successor to the city public hospital for the city or the village public hospital for the village, and the terms of office of the trustees of the city public hospital or village public hospital shall continue. The corporation shall have all of the rights, privileges, immunities, and franchises of its predecessor city public hospital or village public hospital, all personal property, all debts due on whatever account, and all choses in action. All interests and licenses of or belonging to the city public hospital or village public hospital shall be considered to be transferred to, and vested in, the corporation without further act or deed. Such interests and licenses shall not be considered to have undergone any change of ownership for the purpose of any law or regulation, nor shall the fiscal year of any city public hospital or village public hospital be considered to have ended solely because the city or village incorporates a corporation under this act. The title to any real estate, or any interest in real estate, vested in any city or city public hospital or village or village public hospital, shall not revert or in any way be impaired because a corporation succeeds a city public hospital or village public hospital pursuant to this act.

(2) A corporation incorporated by a city or village under this act shall be considered to be the owner of all money and other property then deposited in the treasury of the city or village to the credit of the hospital fund and shall be entitled to all interest and other earnings accruing on those funds on and after the effective date of the incorporation. The corporation shall be the owner of all other personal property used exclusively by or for the city public hospital or village public hospital. The treasurer of any city or village having custody of money and other property belonging to a corporation pursuant to this subsection shall arrange for the prompt transfer of such money and other property to the custody of the corporation.

(3) A corporation incorporated by a city or village under this act shall be the employer of all persons employed by the city public hospital or village public hospital and shall assume and be bound by any labor agreement in existence on the effective date of the incorporation and applicable to the city public hospital or village public hospital, but shall not be subject to greater obligations with respect to the terms, conditions, or duration of employment than was the city public hospital or village public hospital immediately preceding the effective date of the incorporation. A representative of the employees or a group of employees who is entitled to represent the employees or group of employees under Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.216 of the Michigan Compiled Laws, shall continue to be the representative of the employees or group of employees. This subsection does not limit the rights of the hospital employees, under applicable law, to assert that a bargaining representative protected by this subsection is no longer the representative of the employees.

(4) A corporation incorporated by a city or village under this act shall be responsible and liable for all liabilities and obligations of the city public hospital or village public hospital it succeeds. A claim existing or an action or proceeding pending by or against a city public hospital or village public hospital may be prosecuted by the corporation succeeding it in the name of the city public hospital or village public hospital, or the corporation may be substituted. The rights of creditors and any lien upon the property of a city or a city public hospital or a village or village public hospital existing on the effective date of the incorporation shall not be impaired.

History: Add. 1988, Act 502, Eff. Jan. 1, 1989.