

E AND R AMENDMENTS TO LB 995

Introduced by Larson, 40, Chairman Enrollment and Review

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 23-3104, Revised Statutes Supplement,  
4 2011, is amended to read:

5           23-3104 As used in the County Purchasing Act, unless the  
6 context otherwise requires:

7           (1) Mobile equipment means all vehicles propelled by  
8 any power other than muscular, including, but not limited to,  
9 motor vehicles, off-road designed vehicles, motorcycles, passenger  
10 cars, self-propelled mobile homes, truck-tractors, trucks, cabin  
11 trailers, semitrailers, trailers, utility trailers, and road and  
12 general-purpose construction and maintenance machinery not designed  
13 or used primarily for the transportation of persons or property,  
14 including, but not limited to, ditchdigging apparatus, asphalt  
15 spreaders, bucket loaders, leveling graders, earthmoving carryalls,  
16 power shovels, earthmoving equipment, and crawler tractors;

17           (2) Personal property includes, but is not limited to,  
18 supplies, materials, mobile equipment, and equipment used by or  
19 furnished to any county officer, office, department, institution,  
20 board, or other agency of the county government. Personal property  
21 does not include election ballots;

22           (3) Services means any and all services except telephone,  
23 telegraph, postal, and electric light and power service, other

1 similar services, and election contractual services; and

2 (4) Purchasing or purchase means the obtaining of  
3 personal property or services by sale, lease, or other contractual  
4 means. Purchase also includes contracting with sheltered workshops  
5 for products or services as provided in Chapter 48, article 15.  
6 Purchasing or purchase does not include any purchase or lease  
7 of personal property or services by a facility established under  
8 section 23-3501.

9 Sec. 2. Section 23-3501, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11 23-3501 (1) The county board in any county in this state  
12 having ~~thirty-six~~ three thousand six hundred inhabitants or more or  
13 in which the taxable value of the taxable property is twenty-eight  
14 million six hundred thousand dollars or more may issue and sell  
15 bonds of such county in such an amount as the county board may  
16 deem advisable for the construction, ~~or~~ acquisition, or replacement  
17 of an indigent a hospital, a home for aged or infirm persons, a  
18 county community hospital, including any clinic of such hospital,  
19 a nursing facility, an assisted-living facility, a home health  
20 agency, a mental health clinic, a clinic or facility to combat  
21 mental retardation, developmental disabilities, a public health  
22 center, a medical complex, multiunit housing, or a similar facility  
23 required to protect the health and welfare of the people and  
24 to purchase suitable equipment for the same. initially equip and  
25 acquire property deemed necessary for operation of such facility.  
26 Such bonds shall bear interest at a rate set by the county board.

27 (2) No bonds shall be issued pursuant to this section

1 until the question of the issuance of the bonds has been submitted  
2 to the voters of such county at a general election or a special  
3 election called for such purpose. The issuance of such bonds shall  
4 be approved by a majority vote of the electors voting on such  
5 proposition at any such election. Such election may be called  
6 either by resolution of the county board or upon a petition  
7 submitted to the county board calling for an election. Such  
8 petition shall be signed by the legal voters of the county equal in  
9 number to ten percent of the number of votes cast in the county for  
10 the office of Governor at the last general election.

11 Sec. 3. Section 23-3502, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 23-3502 ~~(1)-(a)~~ (1) When a county with a population of  
14 three thousand six hundred inhabitants or more and less than two  
15 hundred thousand inhabitants or with a taxable value of the taxable  
16 property of twenty-eight million six hundred thousand dollars or  
17 more establishes a facility ~~or facilities~~ as provided by section  
18 23-3501, the county board of the county shall ~~proceed at once to~~  
19 appoint a board of trustees.

20 (2) In counties having a population of two hundred  
21 thousand inhabitants or more, the county board of the county having  
22 a facility, in lieu of appointing a board of trustees of such  
23 facility, may elect to serve as the board of trustees of such  
24 facility. If the county board makes such election, the county  
25 board shall assume all the duties and responsibilities of the  
26 board of trustees of the facility, including those set forth in  
27 sections 23-3504 and 23-3505. Such election shall be evidenced by

1 the adoption of a resolution by the county board.

2 ~~Such~~ (3) (a) The board of trustees appointed pursuant to  
3 this section shall consist of three, five, ~~or seven,~~ or nine  
4 members as fixed by the county board. All members of the board  
5 shall be residents of such county.

6 (b) When the board is first established: ~~7 one~~

7 (i) If the county provides for a three-member board, one  
8 member shall be appointed for a term of two years, one for four  
9 years, and one for six years from the date they are such member is  
10 appointed. Thereafter, as the members' terms expire, members shall  
11 be appointed for terms of six years; if the county board provides  
12 for a three-member board.

13 (ii) If the county board provides for a five-member  
14 board, one additional member shall be appointed for four years and  
15 one for six years. ~~When~~ If the board is changed to a five-member  
16 board, the three members who are serving as such trustees at  
17 the time of a change from a three-member to a five-member board  
18 shall each complete his or her respective term of office. The two  
19 additional members shall be appointed by the county board, one for  
20 a term of four years and one for a term of six years. Thereafter,  
21 as ~~their~~ the members' terms expire, members shall be appointed for  
22 terms of six years;

23 (iii) If the county board provides for a seven-member  
24 board, one additional member shall be appointed for two years  
25 and one for four years. ~~When~~ If the board is changed to a  
26 seven-member board, the three or five members who are serving as  
27 such trustees at the time of the change shall each complete his or

1 her respective term of office. The two or four additional members  
2 shall be appointed by the county board. If two additional members  
3 are appointed, one shall be appointed for four years and one for  
4 six years. If four additional members are appointed, one shall  
5 be appointed for two years, two for four years, and one for six  
6 years. Thereafter, as the members' terms expire, members shall be  
7 appointed for terms of six years; and

8 (iv) If the county board provides for a nine-member  
9 board, one additional member shall be appointed for two years  
10 and one for six years. If the board is changed to a nine-member  
11 board, the three, five, or seven members who are serving as such  
12 trustees at the time of the change shall each complete his or her  
13 respective term of office. The two, four, or six additional members  
14 shall be appointed by the county board. If two additional members  
15 are appointed, one shall be appointed for two years and one for  
16 six years. If four additional members are appointed, two shall be  
17 appointed for two years, one for four years, and one for six years.  
18 If six additional members are appointed, two shall be appointed for  
19 two years, two for four years, and two for six years. Thereafter,  
20 as the members' terms expire, members shall be appointed for terms  
21 of six years.

22 (4) (a) All members of the board of trustees shall be  
23 residents of the county.

24 ~~(2)~~ (b) In any county having a population of more than  
25 three hundred thousand inhabitants, a minimum of one member of  
26 the board of trustees shall be a resident of the county and  
27 shall reside outside the corporate limits of the city in which

1 such facility or facilities are located. In any county having a  
2 population of more than three hundred thousand inhabitants, if only  
3 one member of the board of trustees resides outside the corporate  
4 limits of the city in which the facility ~~or facilities are~~ is  
5 located and the residence of the member is annexed by the city, he  
6 or she shall be allowed to complete his or her term of office but  
7 shall not be eligible for reappointment.

8 (c) The trustees shall, within ten days after their  
9 appointment, qualify by taking the oath of county officers as  
10 provided in section 11-101 and by furnishing a bond, if required by  
11 the county board, in an amount to be fixed by the county board.

12 They (d) Any person who has been excluded from  
13 participation in a federally funded health care program or is  
14 included in a federal exclusionary data base shall be ineligible  
15 to serve as a trustee.

16 (5) The board of trustees shall organize as a board of  
17 trustees by the election of one of their number elect a trustee  
18 to serve as chairperson, one as secretary, and one as treasurer.  
19 The board shall make such elections at each annual board meeting.

20 , except that in counties with two hundred thousand inhabitants or  
21 more, the county treasurer of the county in which such facility  
22 or facilities are located shall be the treasurer of the board of  
23 trustees. The treasurer shall receive and pay out all the money  
24 under the control of such board as ordered by it and shall report  
25 such expenditures and receipts to the county board on a monthly  
26 basis and as required by section 23-3507. The monthly report  
27 shall include a statement of the amount of currently outstanding

1 ~~registered warrants.~~

2           ~~(3)(a)~~ (6)(a) When a member ~~or trustee~~ is absent from  
3 three consecutive board meetings, either regular or special,  
4 without being excused by the remaining members of the board,  
5 his or her office shall become vacant and a new member shall be  
6 appointed by the county board to fill the vacancy for the unexpired  
7 term of such member pursuant to subdivision ~~(3)(b)~~ (6)(b) of this  
8 section. ~~Such vacancy shall become effective when the county board~~  
9 ~~finds that there is such a vacancy or fills the same as provided in~~  
10 ~~this subsection.~~

11           (b) Any member of such board may at any time be  
12 removed from office by the county board for any reason. Vacancies  
13 shall be filled in substantially the same manner as the original  
14 appointments are made. The person appointed to fill such a vacancy  
15 shall hold office for the unexpired term of the member that he or  
16 she has replaced.

17           ~~(4)~~ In counties having a population of two hundred  
18 thousand inhabitants ~~or more,~~ the county board of the county having  
19 such facility ~~or facilities,~~ in lieu of appointing a board of  
20 trustees of such facility ~~or facilities,~~ may elect to serve as  
21 the board of trustees of such facility ~~or facilities.~~ If the  
22 county board makes such election, the county board shall assume all  
23 the duties and responsibilities of the board of trustees of the  
24 institution. Such election shall be evidenced by the adoption of a  
25 resolution by the county board.

26           (7) The county board shall consult with the existing  
27 board of trustees regarding the skills and qualifications of any

1 potential appointees to the board pursuant to this section prior to  
2 appointing any new trustee.

3           Sec. 4. Section 23-3504, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           23-3504 The board of trustees of such facility as  
6 provided by section 23-3501 shall make, adopt, and file with  
7 the county board such bylaws, rules, and regulations for its  
8 guidance and for the government of such facility as may be deemed  
9 expedient for the economical and equitable conduct of the facility.  
10 The board of trustees shall have the exclusive control of the  
11 expenditures of all money collected to the credit of the fund for  
12 such facility. After the original construction of such facility,  
13 the board of trustees shall have exclusive control over any and  
14 all improvements or additions thereto and equipment, including  
15 the authority to contract, subject to ratification by the county  
16 board, for any improvements or additions thereto and equipment.  
17 No such improvement, addition, or equipment shall cost more than  
18 fifty percent of the current replacement cost of such existing  
19 facility and equipment unless the proposition is submitted to the  
20 voters of such county at a general election or a special election  
21 called for such purpose and approved by a vote of the majority  
22 of the electors voting on the proposition at such election. The  
23 board of trustees shall also have exclusive control, supervision,  
24 care, and custody of the grounds, rooms, and buildings purchased,  
25 constructed, leased, or set apart for such purposes. The board  
26 of trustees shall have power to pay all current bills, claims,  
27 and salaries of all employees of such facility by an order upon

1 its treasurer, signed by the superintendent of such facility and  
2 countersigned by the chairperson and secretary of the board of  
3 trustees. Facsimile signatures of the superintendent and board  
4 members may be used to sign such orders. The board of trustees  
5 shall have power to lease such facility and equipment to a  
6 charitable nonprofit organization upon such terms and conditions  
7 as may be agreed, but no such facility or equipment shall be  
8 leased unless authorized by the voters of such county at a general  
9 election or a special election called for such purpose and approved  
10 by a majority vote of the electors voting on such proposition  
11 at any such election. The board of trustees shall also have the  
12 following powers: (1) To expend hospital operating funds for the  
13 reimbursement of the reasonable expenses of persons interviewed  
14 or retained for employment or medical staff appointment; and  
15 (2) all powers and authority granted to the boards of nonprofit  
16 corporations under the Nebraska Nonprofit Corporation Act, except  
17 to the extent that those powers are inconsistent with the Hospital  
18 Authorities Act, the Nebraska Local Hospital District Act, and  
19 sections 23-3501 to 23-3527 or are specifically prohibited by law.

20 The board of trustees:

21 (1) May purchase or lease a site for a facility  
22 established under section 23-3501 and provide and equip any  
23 building deemed necessary to fulfill the facility's mission;

24 (2) May accept property by gift, devise, bequest, or  
25 otherwise and may carry out any conditions connected to the receipt  
26 of any gift, devise, or bequest;

27 (3) May sell, lease, exchange, encumber, or otherwise

1 dispose of a facility or any other property under the control of  
2 the board of trustees upon a concurring vote of a majority of  
3 the board of trustees. If such sale, lease, exchange, encumbrance,  
4 or disposal is of all or substantially all of the facility or  
5 property, the sale, lease, exchange, encumbrance, or disposal shall  
6 also be approved by the county board;

7 (4) May borrow money on an unsecured basis or secured  
8 by the facility and revenue of the facility for the purposes of  
9 initially financing or refinancing the construction, improvement,  
10 maintenance, or replacement of the facility or equipping the  
11 facility and acquiring other property or for any other purpose  
12 deemed appropriate by the board of trustees. Any issuance of  
13 revenue bonds for which the revenue of the facility has been  
14 pledged shall be subject to approval by the county board;

15 (5) Shall have exclusive control of the expenditures  
16 of all money collected to the credit of the fund for any such  
17 facility;

18 (6) Shall have exclusive control over any and all  
19 improvements or additions to the facility and equipment, including  
20 the authority to contract for improvements, additions, equipment,  
21 and other property. If any such improvement or addition to the  
22 facility costs more than fifty percent of the current replacement  
23 cost of the facility, the improvement or addition shall also be  
24 approved by the county board;

25 (7) Shall have exclusive control, supervision, care,  
26 and custody of the grounds, rooms, buildings, and other property  
27 purchased, constructed, leased, or set apart for the purposes set

1 forth under section 23-3501;

2 (8) Shall have the authority to pay all bills and claims  
3 due and owing by the facility and the salaries of all employees of  
4 such facility;

5 (9) Shall have the authority to expend hospital operating  
6 funds for recruitment and reimbursement of the reasonable expenses  
7 of any person interviewed or retained for employment or for medical  
8 staff appointment at the facility;

9 (10) May authorize the delivery of any additional health  
10 care service, ambulance service, assisted-living or independent  
11 living service, or other ancillary service deemed by the board  
12 to be necessary for the betterment of the health status of the  
13 residents of the county;

14 (11) May control, own, and operate clinics and health  
15 care facilities both within and outside the county; and

16 (12) Is granted all other powers and duties necessary for  
17 the management, control, and governance of a facility, including,  
18 but not limited to, any applicable powers and duties granted to any  
19 board under Nebraska law relating to nonprofit corporations, except  
20 as otherwise provided in this section or section 23-3505.

21 Sec. 5. Section 23-3505, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 23-3505 The board of trustees of such facility or  
24 facilities as provided by section 23-3501 shall have power  
25 to appoint, remove, and fix the compensation of a suitable  
26 administrator, superintendent or matron, or two or more of such  
27 officials, and necessary assistants and in general carry out the

1 spirit and intent of sections 23-3501 to 23-3509 in establishing  
2 and maintaining such facility or facilities.

3 The board of trustees shall:

4 (1) Hold meetings at least once each month and keep a  
5 complete record of all of its proceedings;

6 (2) Adopt bylaws, rules, and regulations for its own  
7 guidance and for the governance of a facility. The board of  
8 trustees shall file such bylaws, rules, and regulations with the  
9 county board;

10 (3) Employ or contract for an administrator of a  
11 facility, fix the administrator's compensation, and review the  
12 administrator's job performance on at least an annual basis.  
13 The administrator shall oversee the day-to-day operations of the  
14 facility and its employees;

15 (4) If a facility maintains a medical staff, adopt and  
16 approve medical staff bylaws that govern the medical staff of the  
17 facility, approve the appointment of a qualified medical staff, and  
18 oversee the quality of medical care and services provided at the  
19 facility;

20 (5) Manage and control a facility's funds in accordance  
21 with guidelines established for political subdivisions by the  
22 Nebraska Investment Council and invest such funds in investments as  
23 permitted for counties in the State of Nebraska;

24 (6) Fix the price to be charged to patients admitted to  
25 a facility for care and treatment;

26 (7) Establish charity-care policies for free treatment or  
27 financial assistance for care provided by a facility;

1           (8) Procure and pay premiums on any and all insurance  
2 policies required for the prudent management of a facility,  
3 including, but not limited to, general liability, professional  
4 malpractice liability, workers' compensation, vehicle liability,  
5 and directors' and officers' liability; and

6           (9) On or before July 15 of each year:

7           (a) File with the county board a report of its  
8 proceedings with reference to a facility and a statement of all  
9 receipts and expenditures during the year; and

10           (b) Certify the amount necessary, if any, to maintain and  
11 improve a facility for the ensuing year.

12           The treasurer of the board of trustees or his or her  
13 designee shall receive and pay out all money under the control  
14 of the board of trustees as ordered by the board and report  
15 such expenditures and receipts to the county board as required by  
16 subdivision (9) (a) of this section.

17           Sec. 6. Section 23-3508, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19           23-3508 (1) The county board in counties in this state in  
20 which ~~such a~~ facility or facilities have has been established as  
21 provided in section 23-3501 may, by a majority vote of the board,  
22 issue and sell bonds of the county in such sums as the county board  
23 may deem advisable to defray the cost of improvements or additions  
24 thereto, and equipment, and other property deemed necessary for  
25 operation of the facility. Such bonds shall not exceed the amount  
26 authorized for improvements, additions, or equipment in section  
27 23-3504.

1           ~~(2)~~ The county board may also, either on its own  
2 initiative or upon the recommendation of the board of trustees,  
3 from time to time submit to the electors of such county at a  
4 general election or at a special election called for that purpose  
5 the question of the issuance of the bonds of such county to  
6 defray the cost of improvements or additions to such facility  
7 or facilities or equipment therefor in an amount either within  
8 or exceeding the limitation of fifty percent of the current  
9 replacement cost of such existing facility or facilities and  
10 equipment. If approved by the vote of a majority of the electors  
11 voting on such proposition, the county board shall issue and sell  
12 such bonds. The county board, if it deems it best, may combine  
13 in one question to the voters the proposition of authorizing such  
14 improvements, additions, or equipment in excess of the limitation  
15 prescribed, as provided in section 23-3504, and the issuance of  
16 bonds under this section.

17           ~~(3)~~ (2) Such bonds shall (a) be payable in not to  
18 exceed ~~twenty~~ thirty years ~~from~~ after the date of issuance, (b)  
19 bear interest payable annually or semiannually, and (c) contain  
20 an option to the county to pay all or any part thereof at any  
21 time after five years ~~from~~ after the date of issuance. When such  
22 bonds have been issued under this section or section 23-3501, the  
23 county board shall cause to be levied and collected annually a  
24 tax upon all of the taxable property of such county sufficient to  
25 pay the interest and principal of the bonds as the ~~same~~ interest  
26 and principal become due and payable. If the county board deems it  
27 appropriate, the county board may submit to the electors of such

1 county at a general or special election the question of whether to  
2 exceed the tax limitation set forth in Article VIII, section 5, of  
3 the Constitution of Nebraska or any other applicable statutory levy  
4 limitation.

5 (3) Any taxes levied to pay bonds issued under this  
6 section or section 23-3501 shall be kept in a separate fund in the  
7 county treasury. Any such bonds shall not be deemed to be payable  
8 from the general fund of the county.

9 ~~(4) In addition to the issuance of bonds therefor, the~~  
10 ~~county board may also place operating income from the operation~~  
11 ~~of such facility which is not needed for current operations into~~  
12 ~~a special reserve fund to be used to defray the cost of such~~  
13 ~~improvements or additions and equipment. Income placed in such fund~~  
14 ~~may be withdrawn and used for operating expenses with the approval~~  
15 ~~of the county board.~~

16 (4) This section shall not apply to any bond or other  
17 indebtedness authorized by the board of trustees pursuant to  
18 section 23-3504.

19 Sec. 7. Section 23-3510, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 23-3510 Counties having thirty-six hundred inhabitants or  
22 more are hereby authorized and empowered to ~~(1) accept a gift or~~  
23 ~~devise of or to purchase a building suitable for conversion into~~  
24 ~~such facility or facilities as provided by section 23-3501, (2)~~  
25 ~~purchase real estate and erect a building or buildings thereon for~~  
26 ~~such facility or facilities, and (3) maintain, manage, improve,~~  
27 ~~remodel, equip and operate such facility or facilities. The county~~

1 board of any county may, in its discretion, accept a gift or devise  
2 of a specific sum of money for the purposes ~~above set forth in this~~  
3 ~~section,~~ of constructing, acquiring, or replacing a facility as  
4 provided by section 23-3501 and by tax levy raise such additional  
5 sum of money as may be necessary to ~~remodel,~~ ~~build or~~ construct,  
6 acquire, or replace such facility. ~~or facilities,~~ and support and  
7 maintain the same. Before any such gift or devise may be accepted,  
8 the same must be approved by the county board, and the total value  
9 of all gifts and devises accepted and approved for the original  
10 construction or acquisition of such facility or facilities must  
11 equal at least fifty percent of the cost of such construction  
12 or acquisition before any tax levy can be made for the purposes  
13 provided in this section.

14           Sec. 8. Section 23-3511, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           23-3511 The county board shall have power to may levy  
17 a tax each year of not to exceed three and five-tenths cents  
18 on each one hundred dollars upon the taxable value of all the  
19 taxable property in such county for the purpose of acquiring,  
20 remodeling, improving, equipping, maintaining, and operating such a  
21 facility ~~or facilities~~ as provided by section 23-3501. In counties  
22 having a population of not more than seven thousand ~~persons,~~  
23 inhabitants, such tax shall not exceed seven cents on each one  
24 hundred dollars of the taxable value. ~~The county board shall by~~  
25 ~~resolution determine and declare how the facility or facilities~~  
26 ~~shall be managed.~~

27           Sec. 9. Section 23-3523, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           23-3523 ~~Suit~~ Any suit to recover ~~such~~ any costs and  
3 fees for ~~such~~ the care and services as described in section  
4 23-3522 shall be brought (1) in the name of the ~~county maintaining~~  
5 ~~and operating the hospital,~~ board of trustees of the facility  
6 established under section 23-3501 or (2) ~~in the case of a county~~  
7 ~~hospital maintained and operated by more than one county,~~ in the  
8 name of the county in which the hospital facility, ~~or any part~~  
9 of it, ~~is located,~~ and ~~(3)~~ in the case of a hospital maintained  
10 and operated by a hospital district, in the name of the hospital  
11 district.

12           Sec. 10. Section 23-3524, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           23-3524 The governing board of any ~~such~~ hospital  
15 providing ~~such~~ the care and services shall have the power to  
16 described in section 23-3522 and its administrator or his or her  
17 designee may compromise and settle or completely write off the  
18 costs and fees for care and services rendered in or by ~~its~~ the  
19 hospital ~~on any case where the board, in its sole judgment, decides~~  
20 ~~such action is advisable for any reason.~~ pursuant to any terms and  
21 conditions of policies approved by the board.

22           Sec. 11. Section 23-3525, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           23-3525 Costs and fees collected for care and services  
25 rendered by a county hospital or a hospital district hospital shall  
26 be deposited in a fund for the exclusive use by the appropriate  
27 county hospital or hospital district for the maintenance,

1 operation, and improvement of ~~its~~ the hospital.

2           Sec. 12. Section 23-3553, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           23-3553 Nothing contained in the Nebraska Local Hospital  
5 District Act and sections 23-3501 to 23-3519 and ~~23-3528 to 23-3552~~  
6 shall be construed to prohibit the board of trustees of any  
7 facility ~~specified in~~ established under section 23-3501 or a local  
8 hospital district from establishing depreciation funds from patient  
9 or other revenue income for the purpose of replacing equipment  
10 or providing for future improvements or additions or from using  
11 such patient or other revenue income for purchasing equipment or  
12 for retiring indebtedness incurred for improvements or additions  
13 not financed by bonds of the county or direct tax levies. The  
14 limitations upon expenditures provided for in ~~sections 23-3504 and~~  
15 section 23-3508 shall not apply to expenditures made from patient  
16 or other revenue income or for the retiring of indebtedness or  
17 payment of other obligations from such patient or revenue income.  
18 ~~Any amounts expended by the board of trustees of any facility or~~  
19 ~~facilities or a local hospital district for the purposes provided~~  
20 ~~in this section on or before July 6, 1965, without a bond issue~~  
21 ~~or tax levy shall not be considered to have been expended without~~  
22 ~~statutory authority but shall be considered proper expenditures if~~  
23 ~~made for the purposes stated in this section.~~

24           Sec. 13. Section 71-2057, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

26           71-2057 For purposes of sections 71-2056 to 71-2061,  
27 unless the context otherwise requires:

1           (1) Hospital health services means, but is not limited  
2 to, any health care clinical, diagnostic, or rehabilitation service  
3 and any administrative, managerial, health system, or operational  
4 service incident to such service;

5           (2) Market strategy means any plan, strategy, or device  
6 developed or intended to promote, sell, or offer to sell any  
7 hospital health service;

8           (3) Strategic plan means any plan, strategy, or device  
9 developed or intended to construct, operate, or maintain a health  
10 facility or to engage in providing, promoting, or selling a  
11 hospital health service; and

12           (4) Tangible benefit means, but is not limited to,  
13 any (a) reasonable expectation of a demonstrable increase  
14 in or maintenance of usage of the provider's services, (b)  
15 contractual provision requiring quality control of patient care and  
16 participation in a resource monitoring procedure, ~~or~~ (c) reasonable  
17 expectation of prompt payment for any service rendered, or (d)  
18 activity that promotes health or furthers the provider's mission.

19           Sec. 14. Section 71-2059, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21           71-2059 A political subdivision, state agency, or other  
22 governmental entity which owns or operates a hospital or hospital  
23 health service ~~shall,~~ may, relative to the delivery of health care  
24 services:  ~~have the authority to:~~

25           (1) Enter into agreements with other health care  
26 providers, both governmental and nongovernmental, to share services  
27 or provide a tangible benefit to the hospital and into other

1 cooperative ventures;

2 (2) Join or sponsor membership in organizations or  
3 associations intended to benefit the hospital or hospitals in  
4 general;

5 (3) Enter into ~~partnerships,~~ contractual joint ventures  
6 with other governmental hospitals and health care organizations  
7 or nonprofit hospitals and health care organizations when entering  
8 into such a joint venture provides a tangible benefit to the  
9 residents of the political subdivision, state agency, or other  
10 governmental entity that owns or operates a hospital or health  
11 service;

12 ~~(4) Create or merge with other corporations;~~

13 ~~(5) Create or merge with other limited liability~~  
14 ~~companies;~~

15 (4) Hold a membership interest in a nonprofit corporation  
16 when holding such interest provides a tangible benefit to the  
17 residents of the political subdivision, state agency, or other  
18 governmental entity that owns or operates a hospital or health  
19 service;

20 ~~(6) (5) Have members of its governing authority or~~  
21 ~~its officers or administrators serve without pay as directors~~  
22 ~~or officers of any such venture,~~ ~~organization,~~ ~~association,~~  
23 ~~partnership, limited liability company, or corporation;~~

24 ~~(7) (6) Offer, directly or indirectly, products and~~  
25 ~~services of the hospital or any such venture,~~ ~~organization,~~  
26 ~~association, partnership, limited liability company, or corporation~~  
27 ~~to the general public; and~~

1           ~~(8)~~ (7) Acquire, erect, staff, equip, or operate one or  
2 more medical office buildings, clinic buildings, or other buildings  
3 or parts thereof for medical services both within and outside  
4 the jurisdiction of the political subdivision, state agency,  
5 or other governmental entity. Such buildings or parts may be  
6 freestanding facilities or additions to or parts of an existing  
7 hospital or health care facility. Unless the political subdivision,  
8 state agency, or other governmental entity declares otherwise, the  
9 building or parts shall be considered an addition or improvement to  
10 the existing facilities. The political subdivision, state agency,  
11 or other governmental entity may lease all or part of such building  
12 to one or more health care practitioners or groups of health  
13 care practitioners or otherwise allow health care practitioners  
14 the use thereof on such terms as the political subdivision, state  
15 agency, or other governmental entity deems appropriate. Such lease  
16 or other use shall not be required to comply with public bidding  
17 requirements or approval of the electorate.

18           Sec. 15. Section 71-2061, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20           71-2061 (1) All agreements and obligations undertaken  
21 and all securities issued, as permitted under sections 71-2056 to  
22 71-2061, by a hospital which is owned or operated by a political  
23 subdivision, state agency, or other governmental entity shall be  
24 exclusively an obligation of the hospital and shall not create  
25 an obligation or debt of the state or any political subdivision,  
26 state agency, or other governmental entity. The full faith and  
27 credit of the state or of any political subdivision, state agency,

1 or other governmental entity shall not be pledged for the payment  
2 of any securities issued by such a hospital, nor shall the state  
3 or any political subdivision, state agency, or other governmental  
4 entity be liable in any manner for the payment of the principal  
5 of or interest on any securities of such a hospital or for the  
6 performance of any pledge, mortgage, obligation, or agreement of  
7 any kind that may be undertaken by such a hospital.

8 (2) Expenditures permitted by sections 71-2056 to 71-2061  
9 to be made by or on behalf of a hospital shall be for operating  
10 and maintaining public hospitals and public facilities for a public  
11 purpose. No such expenditure shall be considered to be a giving or  
12 lending of the credit of the state, or a granting of public money  
13 or a thing of value, in aid of any individual, association, or  
14 corporation within the meaning of any constitutional or statutory  
15 provision.

16 (3) Membership interests and contractual joint ventures  
17 permitted by section 71-2059 that further the purposes of the  
18 political subdivision, state agency, or other governmental entity  
19 shall not be considered to cause the political subdivision, state  
20 agency, or other governmental entity to become a subscriber or  
21 owner of capital stock or any interest in a private corporation or  
22 association within the meaning of Nebraska law.

23 Sec. 16. Section 71-20,104, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 71-20,104 (1) No person shall engage in the acquisition  
26 of a hospital owned by a nonprofit corporation without first  
27 having applied for and received the approval of the department

1 and without first having notified the Attorney General and, if  
2 applicable, received approval from the Attorney General pursuant  
3 to the Nonprofit Hospital Sale Act. No person shall engage in the  
4 acquisition of a hospital not owned by a nonprofit corporation  
5 without first having applied for and received the approval of  
6 the department pursuant to the act unless such acquiring person  
7 is a nonprofit corporation exempt from federal income tax under  
8 section 501(c)(3) of the Internal Revenue Code or is a governmental  
9 entity. For purposes of the act, approval of the department and the  
10 Attorney General shall not be required for the acquisition of a  
11 hospital not owned by a nonprofit corporation as follows: ~~(1)~~ (a)  
12 The lease or sale of a county hospital approved under subdivision  
13 (3) of section 23-3504; or ~~(2)~~ (b) the dissolution of a hospital  
14 district approved under sections 23-3544 to 23-3546 or the merger  
15 of hospital districts approved under sections 23-3573 to 23-3578.

16 (2) Any person not required to obtain the approval of  
17 the department under the ~~provisions of the~~ Nonprofit Hospital Sale  
18 Act shall give the Attorney General at least thirty days' notice  
19 of an impending acquisition, during which time the Attorney General  
20 may take any necessary and appropriate action consistent with his  
21 or her general duties of oversight with regard to the conduct  
22 of charities. The notice shall briefly describe the impending  
23 acquisition, including any change in ownership of tangible or  
24 intangible assets.

25 (3) The application shall be submitted to the department  
26 and the Attorney General on forms provided by the department and  
27 shall include the name of the seller, the name of the purchaser

1 or other parties to an acquisition, the terms of the proposed  
2 agreement, the sale price, a copy of the acquisition agreement,  
3 a financial and economic analysis and report from an independent  
4 expert or consultant of the effect of the acquisition under the  
5 criteria set forth in section 71-20,108, and all other related  
6 documents. A copy of the application and copies of all additional  
7 related materials shall be submitted to the department and to  
8 the Attorney General at the same time. The applications and all  
9 related documents shall be considered public records for purposes  
10 of sections 84-712 to 84-712.09.

11           Sec. 17. Section 84-1410, Revised Statutes Supplement,  
12 2011, is amended to read:

13           84-1410 (1) Any public body may hold a closed session  
14 by the affirmative vote of a majority of its voting members  
15 if a closed session is clearly necessary for the protection of  
16 the public interest or for the prevention of needless injury to  
17 the reputation of an individual and if such individual has not  
18 requested a public meeting. The subject matter and the reason  
19 necessitating the closed session shall be identified in the motion  
20 to close. Closed sessions may be held for, but shall not be limited  
21 to, such reasons as:

22           (a) Strategy sessions with respect to collective  
23 bargaining, real estate purchases, pending litigation, or  
24 litigation which is imminent as evidenced by communication of a  
25 claim or threat of litigation to or by the public body;

26           (b) Discussion regarding deployment of security personnel  
27 or devices;

1 (c) Investigative proceedings regarding allegations of  
2 criminal misconduct;

3 (d) Evaluation of the job performance of a person when  
4 necessary to prevent needless injury to the reputation of a person  
5 and if such person has not requested a public meeting; ~~or~~

6 (e) For the Community Trust created under section  
7 81-1801.02, discussion regarding the amounts to be paid to  
8 individuals who have suffered from a tragedy of violence or natural  
9 disaster; or-

10 (f) For public hospitals, governing board peer review  
11 activities, professional review activities, review and discussion  
12 of medical staff investigations or disciplinary actions, and any  
13 strategy session concerning transactional negotiations with any  
14 referral source that is required by federal law to be conducted at  
15 arms length.

16 Nothing in this section shall permit a closed meeting for  
17 discussion of the appointment or election of a new member to any  
18 public body.

19 (2) The vote to hold a closed session shall be taken  
20 in open session. The entire motion, the vote of each member  
21 on the question of holding a closed session, and the time when  
22 the closed session commenced and concluded shall be recorded in  
23 the minutes. If the motion to close passes, then the presiding  
24 officer immediately prior to the closed session shall restate on  
25 the record the limitation of the subject matter of the closed  
26 session. The public body holding such a closed session shall  
27 restrict its consideration of matters during the closed portions

1 to only those purposes set forth in the motion to close as the  
2 reason for the closed session. The meeting shall be reconvened in  
3 open session before any formal action may be taken. For purposes  
4 of this section, formal action shall mean a collective decision  
5 or a collective commitment or promise to make a decision on any  
6 question, motion, proposal, resolution, order, or ordinance or  
7 formation of a position or policy but shall not include negotiating  
8 guidance given by members of the public body to legal counsel or  
9 other negotiators in closed sessions authorized under subdivision  
10 (1) (a) of this section.

11 (3) Any member of any public body shall have the right  
12 to challenge the continuation of a closed session if the member  
13 determines that the session has exceeded the reason stated in the  
14 original motion to hold a closed session or if the member contends  
15 that the closed session is neither clearly necessary for (a) the  
16 protection of the public interest or (b) the prevention of needless  
17 injury to the reputation of an individual. Such challenge shall  
18 be overruled only by a majority vote of the members of the public  
19 body. Such challenge and its disposition shall be recorded in the  
20 minutes.

21 (4) Nothing in this section shall be construed to require  
22 that any meeting be closed to the public. No person or public body  
23 shall fail to invite a portion of its members to a meeting, and  
24 no public body shall designate itself a subcommittee of the whole  
25 body for the purpose of circumventing the Open Meetings Act. No  
26 closed session, informal meeting, chance meeting, social gathering,  
27 email, fax, or other electronic communication shall be used for the

1 purpose of circumventing the requirements of the act.

2 (5) The act does not apply to chance meetings or to  
3 attendance at or travel to conventions or workshops of members  
4 of a public body at which there is no meeting of the body then  
5 intentionally convened, if there is no vote or other action taken  
6 regarding any matter over which the public body has supervision,  
7 control, jurisdiction, or advisory power.

8 Sec. 18. If any section in this act or any part of any  
9 section is declared invalid or unconstitutional, the declaration  
10 shall not affect the validity or constitutionality of the remaining  
11 portions.

12 Sec. 19. Original sections 23-3501, 23-3502, 23-3504,  
13 23-3505, 23-3508, 23-3510, 23-3511, 23-3523, 23-3524, 23-3525,  
14 23-3553, 71-2057, 71-2059, 71-2061, and 71-20,104, Reissue Revised  
15 Statutes of Nebraska, and sections 23-3104 and 84-1410, Revised  
16 Statutes Supplement, 2011, are repealed.

17 Sec. 20. The following sections are outright repealed:  
18 Sections 23-3506, 23-3507, and 23-3514, Reissue Revised Statutes of  
19 Nebraska.

20 Sec. 21. Since an emergency exists, this act takes effect  
21 when passed and approved according to law.