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## SENATE BILL NO. 1347

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Counties, Cities and Towns  
on February 15, 2013)

(Patron Prior to Substitute—Senator Puckett)

*A BILL to amend and reenact §§ 15.2-5369, 15.2-5374, and 15.2-5376 of the Code of Virginia, relating to Southwest Virginia Health Authority.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 15.2-5369, 15.2-5374, and 15.2-5376 of the Code of Virginia are amended and reenacted as follows:**

**§ 15.2-5369. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Authority" means any political subdivision, a body politic and corporate, created, organized, and operated pursuant to the provisions of this chapter or, if such Authority is abolished, the board, body, authority, department, or officer succeeding to the principal functions thereof or to whom the powers given by this chapter are given by law.

"Bond" includes any interest bearing obligation, including promissory notes.

"Hospital or health center" means any and all dental and medical facilities and approaches thereto and appurtenances thereof. ~~Medical Dental and medical facilities shall include~~ *includes* any and all facilities suitable for providing hospital, dental, and medical care, including any and all structures, buildings, improvements, additions, extensions, replacements, appurtenances, lands, rights in lands, franchises, machinery, equipment, furnishing, landscaping, approaches, roadways, and other facilities necessary or desirable in connection therewith or incidental thereto (including, without limitation, hospitals, nursing homes, assisted living facilities, continuing care facilities, ~~self care~~ *self-care* facilities, wellness and health maintenance centers, medical office facilities, clinics, outpatient surgical centers, alcohol, substance abuse and drug treatment centers, *dental care clinics*, laboratories, research facilities, sanitariums, hospices, facilities for the residence or care of the elderly, the handicapped or the chronically ill, residential facilities for nurses, interns, and physicians and any other kind of facility for the diagnosis, treatment, rehabilitation, prevention, or palliation of any human illness, injury, disorder, or disability), together with all related and supporting facilities and equipment necessary and desirable in connection therewith or incidental thereto, or equipment alone, including, without limitation, kitchen, laundry, laboratory, wellness, pharmaceutical, administrative, communications, computer and recreational facilities and equipment, storage space, mobile medical facilities, vehicles and other equipment necessary or desirable for the transportation of medical equipment or the transportation of patients. *Dental and medical facilities also includes facilities for graduate-level instruction in medicine or dentistry and clinics appurtenant thereto offering free or reduced rate dental or medical service to the public.*

"Participating locality" means any county or city in the LENOWISCO or Cumberland Plateau Planning District Commissions with respect to which an authority may be organized and in which it is contemplated that the Authority will function.

**§ 15.2-5374. Powers of Authority.**

The Authority shall have all powers necessary or convenient to carry out the general purposes of this chapter, including the power to:

1. Sue and be sued; adopt a seal and alter the same at pleasure; have perpetual succession; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

2. Employ such technical experts and such other officers, agents, and employees as it may require, to fix their qualifications, duties, and compensation, and to remove such employees at pleasure.

3. Acquire within the territorial limits of the participating localities embraced by it, by purchase, lease, gift, or otherwise, whatever lands, buildings, and structures as may be reasonably necessary for the purpose of establishing, constructing, enlarging, maintaining, and operating one or more hospitals or health centers.

4. Sell, lease, exchange, transfer, or assign any of its real or personal property or any portion thereof or interest therein to any person, firm, or corporation whenever the Authority finds such action to be in furtherance of the purposes for which the Authority was created.

5. Acquire, establish, construct, enlarge, improve, maintain, equip, and operate any hospital or health center and any other facility and service for the care and treatment of sick persons.

6. Make and enforce rules and regulations for the management and conduct of its business and affairs and for the use, maintenance and operation of its facilities and properties.

7. Accept gifts and grants, including real or personal property, from the Commonwealth or any political subdivision thereof and from the United States and any of its agencies; and accept donations of

60 money, personal property, or real estate and take title thereto from any person.

61 8. Make rules and regulations governing the admission, care, and treatment of patients in such  
62 hospital or health center, classify patients as to charges to be paid by them, if any, and determine the  
63 nature and extent of the service to be rendered patients.

64 9. Comply with the provisions of the laws of the United States and the Commonwealth and any rules  
65 and regulations made thereunder for the expenditures of federal or state money in connection with  
66 hospitals or health centers and to accept, receive, and receipt for federal and state money granted the  
67 Authority or granted any of the participating localities embraced by it for hospital or health center  
68 purposes.

69 10. Borrow money upon its bonds, notes, debentures, or other evidences of indebtedness issued for  
70 the purpose only of acquiring, constructing, improving, furnishing, or equipping buildings or structures  
71 for use as a hospital or health center, and to secure the same by pledges of its revenues and property as  
72 hereafter provided. This power shall include the power to refinance all or any portion of such debt, to  
73 renegotiate the terms of all or any portion of such debt, and to retire all or any portion of such debt  
74 prior to its maturity date. *This power shall include the power to borrow money upon its bonds, notes,*  
75 *debentures, or other evidences of indebtedness for the purpose of operations of any not-for-profit or*  
76 *nonprofit dental or medical facility for which the authority or any participating locality has also*  
77 *provided funding pursuant to this chapter in furtherance of any lease, contract, or agreement entered*  
78 *into by the Authority pursuant to subdivision 12 or 13. Such power to borrow money upon its bonds,*  
79 *notes, debentures, or other evidences of indebtedness shall only be considered by the Authority after*  
80 *receipt of a prospectus, operational budget and five year business plan for the dental or medical facility*  
81 *together with identification of all revenue and funding resources required to fully meet the five year*  
82 *operational budget. Upon receipt, the Authority shall make the prospectus, operational budget and*  
83 *business plan available to the public and enable the public to respond in a public hearing prior to*  
84 *approval being taken up for consideration. In addition, the prospectus, operational budget and business*  
85 *plan shall be reviewed by the State Council of Higher Education for Virginia prior to approval by the*  
86 *Authority. Thereafter, the Council shall review the operations of the Authority prior to the exercise of*  
87 *bond authority pursuant to this subdivision. The Council shall report its findings to the chairman of the*  
88 *House Committee on Appropriations and the chairman of the Senate Committee on Finance.*

89 11. Execute all instruments necessary or convenient in connection with the borrowing of money and  
90 issuing bonds as herein authorized.

91 12. Enter into leases and agreements with persons for the construction or operation or both of a  
92 hospital or health center by such persons on land of the Authority.

93 13. Contract for the management and operation of any hospital or health center subject to the control  
94 of the Authority; however, the Authority may charge such rates for service as will enable it to make  
95 reasonable compensation for such management and operation.

96 14. Assist in or provide for the creation of domestic or foreign stock and nonstock corporations,  
97 limited liability companies, partnerships, limited partnerships, associations, foundations, or other  
98 supporting organizations or other entities and to purchase, receive, subscribe for, or otherwise acquire,  
99 own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of shares of or other  
100 interests in or obligations of any domestic or foreign stock and nonstock corporations, limited liability  
101 companies, partnerships, limited partnerships, associations, foundations, or other supporting  
102 organizations, joint ventures, or other entities organized for any purpose, or direct or indirect obligations  
103 of the United States, or of any other government, state, territory, governmental district or municipality or  
104 of any other obligations of any domestic or foreign stock or nonstock corporation, limited liability  
105 company, partnership, limited partnership, association, foundation, or other supporting organization, joint  
106 venture or other entity organized for any purpose or any individual. The investments of any entity  
107 wholly owned or controlled by the Authority that is an "institution," as such term is defined in  
108 § 64.2-1100 shall be governed by the Uniform Prudent Management of Institutional Funds Act  
109 (§ 64.2-1100 et seq.).

110 15. Participate in joint ventures with individuals, domestic or foreign stock and nonstock  
111 corporations, limited liability companies, partnerships, limited partnerships, associations, foundations, or  
112 other supporting organizations or other entities for providing medical care or related services or other  
113 activities that the Authority may undertake to the extent that such undertakings assist the Authority in  
114 carrying out the purposes and intent of this chapter.

115 16. Provide domestic or foreign stock and nonstock corporations, limited liability companies,  
116 partnerships, limited partnerships, associations, foundations or other supporting organizations, joint  
117 ventures or other entities owned in whole or in part or controlled, directly or indirectly, in whole or in  
118 part, by the Authority with appropriate assistance, including making loans and providing time of  
119 employees, in carrying out any activities authorized by this chapter.

120 17. Make loans and provide other assistance to domestic or foreign stock and nonstock corporations,  
121 limited liability companies, partnerships, limited partnerships, associations, foundations or other

supporting organizations, joint ventures, or other entities.

18. Transact its business, locate its offices and control, directly or through domestic or foreign stock and nonstock corporations, limited liability companies, partnerships, limited partnerships, associations, foundations or other supporting organizations, joint ventures, or other entities, facilities that will assist or aid the Authority in carrying out the purposes and intent of this chapter.

19. Procure such insurance, participate in such insurance plans, or provide such self-insurance, or any combination thereof, as it deems necessary or convenient to carry out the purposes and provisions of this chapter. The purchase of insurance, participation in an insurance plan, or creation of a self-insurance plan by the Authority shall not be deemed a waiver or relinquishment of any sovereign immunity to which the Authority or its members, officers, directors, employees, or agents are otherwise entitled.

20. Exercise all other powers granted to nonstock corporations pursuant to § 13.1-826.

**§ 15.2-5376. Issuance of bonds by participating localities and validation thereof.**

Any participating locality may issue its general obligation bonds in the manner provided in the Public Finance Act (§ 15.2-2600 et seq.) in furtherance of the establishment, construction, or enlargement of a hospital or health center. *The industrial development authority of any participating locality may issue its bonds in the manner provided in the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.) in furtherance of the establishment, construction, enlargement, or operation of a nonprofit or not-for-profit hospital or health center with the concurrence of the governing body of the participating locality.*