

## **IC 16-23-5**

### **Chapter 5. Aid to Nonprofit and Benevolent Hospitals**

#### **IC 16-23-5-1**

##### **Application of chapter**

Sec. 1. This chapter applies to a nonprofit hospital corporation that meets the following conditions:

- (1) Is established in or within one (1) mile of a city.
- (2) Is located within a county without a city or other public hospital.
- (3) Has insufficient revenues derived from the care of persons able to pay for services and from all other sources to support and maintain the hospital and enable the hospital to supply the demand for hospital care and nursing in the city and community.

*As added by P.L.2-1993, SEC.6.*

#### **IC 16-23-5-2**

##### **Governing board; members**

Sec. 2. A nonprofit hospital corporation described in section 1 of this chapter must have articles of incorporation, a constitution, or bylaws that provide that:

- (1) the corporation's incorporators are the corporation's first board of trustees and the board:
  - (A) is the corporation's sole governing board; and
  - (B) elects the board's successors at stated periods from reputable citizens of the city and vicinity, who:
    - (i) may include one (1) licensed physician; and
    - (ii) must be persons interested in the benevolent work of the hospital, chosen without reference to political or sectarian influence, and who receive no compensation for their services; or
- (2) the corporation's general corporate powers will be exercised by a governing board, whose members:
  - (A) may include one (1) licensed physician;
  - (B) must be residents of the city in which the hospital is located; and
  - (C) must be elected by a board of electors consisting of representatives from each organized church, religious association, fraternal, charitable, military, patriotic, civic organization, and labor union in the city.

*As added by P.L.2-1993, SEC.6.*

#### **IC 16-23-5-3**

##### **Conflicts of interest**

Sec. 3. An individual is not prohibited from serving as a member of the governing board if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the

member shall disclose the interest or profit in writing to the board and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.  
*As added by P.L.2-1993, SEC.6.*

#### **IC 16-23-5-4**

##### **Governing board vacancies; candidates**

Sec. 4. Whenever a vacancy occurs on the governing board, the existing governing board shall submit a list of three (3) candidates for each vacancy to be filled to the appointing authority. Each candidate submitted by the governing board must meet the requirements concerning governing board members.

*As added by P.L.2-1993, SEC.6.*

#### **IC 16-23-5-5**

##### **Governing board vacancies; appointments**

Sec. 5. (a) For each vacancy, the appointing authority may do one (1) of the following:

- (1) Appoint one (1) of the three (3) candidates submitted by the governing board.
- (2) Request and receive from the governing board a second list of three (3) candidates.
- (3) Appoint an individual who meets the requirements concerning board members and who was not named in the initial list submitted by the governing board.

(b) If the appointing authority requests and receives a second list of three (3) candidates under subsection (a)(2), the appointing authority may do one (1) of the following:

- (1) Appoint one (1) of the three (3) candidates named in the second list.
- (2) Appoint an individual who meets the requirements concerning board members and who was not named in the second list of three (3) candidates submitted by the governing board.

(c) The appointment for a vacancy shall be made within sixty (60) days of the submission of the initial list of candidates under section 4 of this chapter.

*As added by P.L.2-1993, SEC.6.*

#### **IC 16-23-5-6**

##### **Hospital support and maintenance**

Sec. 6. A city may provide for the support and maintenance of a hospital subject to this chapter as follows:

- (1) Appropriate money to the hospital.
- (2) Levy and collect a special tax not exceeding two and thirty-three hundredths cents (\$0.0233) on each one hundred dollars (\$100) valuation of the taxable property of the city.
- (3) Give other aid and support to the hospital that the city council considers proper.

*As added by P.L.2-1993, SEC.6. Amended by P.L.6-1997, SEC.173.*

**IC 16-23-5-7**

**Contracts with townships**

Sec. 7. The trustees of the townships of the county, with the consent of the township boards, may contract with the managers of the hospital for the nursing and care of the poor of the townships who are sick, injured, or disabled, upon terms that the township officers determine to be just and proper.

*As added by P.L.2-1993, SEC.6.*