

IC 16-23-6

Chapter 6. Lease of Hospital Property by Cities to Nonprofit Associations

IC 16-23-6-1

Application of chapter

Sec. 1. This chapter applies to a city that:

- (1) owns a hospital consisting of grounds, buildings, equipment, and furnishings; and
- (2) is located within a county with a nonprofit hospital corporation, whose general corporate powers are exercised by a board of directors composed of residents of the county:
 - (A) one (1) of whom must be a member of or a person designated by the county executive;
 - (B) one (1) of whom may be a licensed physician; and
 - (C) all of whom are elected by the members of the corporation, who must be representatives of each duly organized church, religious association, labor union, fraternal, charitable, military, and civic organization in the county.

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

IC 16-23-6-2

Conflicts of interest

Sec. 2. An individual is not prohibited from serving as a member of the board of directors 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 16-23-6-3

Authorization

Sec. 3. If the city fiscal body determines by resolution adopted at a regular meeting that:

- (1) the city should not operate the hospital; and
- (2) it would be in the interests of the city to provide adequate hospital care and nursing for the sick, injured, and disabled by leasing the hospital grounds, buildings, equipment, and furnishings to the corporation;

the city fiscal body may, on behalf of the city, authorize the execution of a lease with the corporation of the property to be operated as a hospital for not more than fifty (50) years, upon terms and conditions agreed upon by the fiscal body and the corporation.

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

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Qualified organizations

Sec. 4. A duly organized church, religious association, labor union, fraternal, charitable, military, or civic organization referred to in section 1 of this chapter is an entity that has the following:

- (1) Duly adopted bylaws.
- (2) A regular place of meeting in the county.
- (3) A majority of its members are at least twenty-one (21) years of age.
- (4) A duly elected presiding officer and secretary.
- (5) Had at least four (4) regular meetings in the county during the calendar year preceding the annual meeting of the organization.

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

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Lease provisions

Sec. 5. A lease authorized by section 3 of this chapter must provide that the corporation will do the following:

- (1) Make all repairs to the property leased.
- (2) Keep the property adequately insured.
- (3) Maintain the property in as good condition as the property is in at the time of the execution of the lease, natural wear and tear excepted.

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