

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 341**

(SENATE AUTHORS: INGEBRIGTSEN, Lourey, Lang, Hayden and Dahms)

DATE	D-PG	OFFICIAL STATUS
01/26/2017	390	Introduction and first reading Referred to Health and Human Services Finance and Policy
03/20/2017	1554	Comm report: To pass
	1575	Second reading
04/06/2017	3150a	Special Order: Amended
	3151	Third reading Passed Presentment date 04/25/17
04/27/2017	3319	Returned from House Presentment date 04/25/17
05/01/2017	3346	Governor's action Approval 04/27/17
05/04/2017	3366	Secretary of State Chapter 18 04/27/17 Effective date Sec. 1 08/01/17; Sec. 2 04/28/17

- 1.1 A bill for an act
- 1.2 relating to health; authorizing a governmental entity to invest funds of a hospital
- 1.3 owned or operated by the governmental entity; amending Minnesota Statutes 2016,
- 1.4 section 144.581, subdivision 1; Laws 1988, chapter 645, section 3, as amended.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2016, section 144.581, subdivision 1, is amended to read:
- 1.7 Subdivision 1. **Nonprofit corporation powers.** A municipality, political subdivision,
- 1.8 state agency, or other governmental entity that owns or operates a hospital authorized,
- 1.9 organized, or operated under chapters 158, 250, 376, and 397, or under sections 412.221,
- 1.10 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing
- 1.11 a hospital or hospital district shall, relative to the delivery of health care services, have, in
- 1.12 addition to any authority vested by law, the authority and legal capacity of a nonprofit
- 1.13 corporation under chapter 317A, including authority to:
- 1.14 (1) enter shared service and other cooperative ventures;
- 1.15 (2) join or sponsor membership in organizations intended to benefit the hospital or
- 1.16 hospitals in general;
- 1.17 (3) enter partnerships;
- 1.18 (4) incorporate other corporations;
- 1.19 (5) have members of its governing authority or its officers or administrators serve as
- 1.20 directors, officers, or employees of the ventures, associations, or corporations;
- 1.21 (6) own shares of stock in business corporations;

2.1 (7) offer, directly or indirectly, products and services of the hospital, organization,  
 2.2 association, partnership, or corporation to the general public; ~~and~~

2.3 (8) expend funds, including public funds in any form, or devote the resources of the  
 2.4 hospital or hospital district to recruit or retain physicians whose services are necessary or  
 2.5 desirable for meeting the health care needs of the population, and for successful performance  
 2.6 of the hospital or hospital district's public purpose of the promotion of health. Allowable  
 2.7 uses of funds and resources include the retirement of medical education debt, payment of  
 2.8 onetime amounts in consideration of services rendered or to be rendered, payment of  
 2.9 recruitment expenses, payment of moving expenses, and the provision of other financial  
 2.10 assistance necessary for the recruitment and retention of physicians, provided that the  
 2.11 expenditures in whatever form are reasonable under the facts and circumstances of the  
 2.12 situation; and

2.13 (9) notwithstanding any limitation in chapter 118A, invest hospital funds in any security  
 2.14 which has been recommended by an investment adviser registered under the federal  
 2.15 Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21,  
 2.16 or by a bank or trust company exercising its trust powers. Funds invested under this clause  
 2.17 must be invested according to written investment policies and written investment procedures  
 2.18 established by the governmental entity.

2.19 Sec. 2. Laws 1988, chapter 645, section 3, as amended by Laws 1999, chapter 243, article  
 2.20 6, section 9, Laws 2000, chapter 490, article 6, section 15, Laws 2008, chapter 154, article  
 2.21 2, section 30, and Laws 2013, chapter 143, article 4, section 33, is amended to read:

2.22 **Sec. 3. TAX; PAYMENT OF EXPENSES.**

2.23 (a) The tax levied by the hospital district under Minnesota Statutes, section 447.34, must  
 2.24 not be levied at a rate that exceeds the amount authorized to be levied under that section.  
 2.25 The proceeds of the tax may be used for all purposes of the hospital district, except as  
 2.26 provided in paragraph (b).

2.27 (b) 0.015 percent of taxable market value of the tax in paragraph (a) may be used by the  
 2.28 Cook ambulance service and the Orr ambulance service for the purpose of:

2.29 (1) ambulance acquisitions for the Cook ambulance service and the Orr ambulance  
 2.30 service;

2.31 (2) attached and portable equipment for use in and for the ambulances; and

3.1 (3) parts and replacement parts for maintenance and repair of the ambulances, and  
3.2 administrative, operation, or salary expenses for the Cook ambulance service and the Orr  
3.3 ambulance service.

3.4 ~~The money may not be used for administrative, operation, or salary expenses.~~

3.5 (c) The part of the levy referred to in paragraph (b) must be administered by the Cook  
3.6 Hospital and passed on in equal amounts directly to the Cook area ambulance service board  
3.7 and the city of Orr to be used for the purposes in paragraph (b).

3.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.