

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
04/06/2017	1575	Second reading Special Order: Amended Third reading Passed

- 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.
- 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.