

MINNESOTA STATUTES 1986

246A.01 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 4908

CHAPTER 246A

PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES

246A.01	Definitions.	246A.16	Open meetings.
246A.02	Creation of corporation.	246A.17	Government data practices act.
246A.03	Board of directors.	246A.18	Tort liability.
246A.04	Officers.	246A.19	Purchasing.
246A.05	Bylaws.	246A.20	Public employment.
246A.06	Corporate powers.	246A.21	Employee salary limits and compensation.
246A.07	Corporate seal.	246A.22	Workers' compensation.
246A.08	Annual meeting.	246A.23	Deferred compensation; individual annuity contracts.
246A.09	Annual audit.	246A.24	Tax exempt status.
246A.10	Public depository.	246A.25	Prepaid health plan.
246A.11	Transfer of assets.	246A.26	Limitations upon corporate powers.
246A.12	Transitional provisions; status of present employees.	246A.27	Indigent care.
246A.13	Transfer of rights.		
246A.14	Legal counsel.		
246A.15	Bonding authority.		

246A.01 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of sections 246A.01 to 246A.27, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. **Corporation.** "Corporation" means the public corporation created by section 246A.02.

Subd. 3. **Hospital subsidiary corporation.** "Hospital subsidiary corporation" means the subsidiary corporation created pursuant to section 246A.06, subdivisions 1, clause (9), and 3, and charged with the governance and operation of the St. Paul Ramsey Medical Center.

History: 1986 c 462 s 1

246A.02 CREATION OF CORPORATION.

There is created a corporation which shall be public in nature. The corporation shall be known as The purpose of the corporation is to engage in the provision and delivery of health care and related services, including education and research.

History: 1986 c 462 s 2

246A.03 BOARD OF DIRECTORS.

Subdivision 1. **Governance.** The corporation shall be governed by a board of directors consisting of 15 members. The initial members of the board shall be selected as specified in subdivision 2. The terms of office of members of the board shall be as provided in the corporation's bylaws. No term of office will exceed three years.

Subd. 2. **Selection panel.** The chair of the Ramsey county board of commissioners, the chair of the St. Paul Ramsey Medical Center commission, and the chair of Ramsey clinic associates shall each appoint three persons to a selection panel. The selection panel shall name the initial 15 members of the board of directors established in subdivision 1. When the initial members of the board of directors have taken office, the selection panel shall dissolve.

Subd. 3. **Nominating committee.** Whenever a vacancy occurs on the board of directors of the corporation, whether through resignation, removal, expiration of a director's term of office, or otherwise, the board shall appoint a nominating committee composed of five members, at least one of whom shall be a member of the board of

MINNESOTA STATUTES 1986

4909 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 246A.04

commissioners of Ramsey county. The nominating committee shall meet as soon as practicable for the purpose of nominating individuals to fill the vacancy. The nominating committee shall nominate two candidates in the event there is one vacancy on the board and 1-1/2 candidates for each vacancy should there be more than one vacancy to be filled. In the event an odd number of positions on the board is vacant, the nominating committee is authorized to propose the next highest whole number of candidates when applying the foregoing formula. The board shall elect individuals to fill any vacancy from those individuals nominated by the committee, but no director may vote if that director's position is to be filled by the election.

Subd. 4. Quorum. Unless otherwise specified in the bylaws, eight members of the board of directors constitutes a quorum for the transaction of business.

Subd. 5. Board meetings. Except when the bylaws prescribe otherwise:

(1) notice of every meeting shall be given;

(2) an act of the majority of the directors present at a meeting at which a quorum is present is the act of the board, except that a vote of a majority of the board shall be required to adopt the annual budget or to hire or discharge the chief executive officer;

(3)(a) A conference among directors, or among members of any committee designated by the board of directors, by any means of communication through which the participants may simultaneously hear each other during the conference, constitutes a meeting of the board, or the committee, if the same notice is given of the conference as would be required for a meeting, and if the number of person participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting in this manner constitutes personal presence at the meeting. Except as authorized by section 246A.16, subdivision 2, if a meeting is conducted pursuant to this clause, a location and means by which members of the public may listen to the meeting shall be provided, and where such a meeting includes visual media, means by which members of the public may observe the meeting shall be provided. Notice of the meeting shall be provided and it shall specify that location, as well as the electronic method to be used.

(b) A director may participate in a meeting of the board or any committee designated by the board not described in paragraph (a) by any means of communication through which the director, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting in this manner constitutes personal presence at the meeting.

History: 1986 c 444; 1986 c 462 s 3

246A.04 OFFICERS.

Subdivision 1. Election, appointment. (a) Unless the bylaws provide otherwise, the board of directors shall elect persons to exercise the functions of the offices of president, secretary, and treasurer and may elect or appoint any other officers and agents deemed to be necessary.

(b) Unless the bylaws prescribe that only directors may be officers, officers need not be directors.

(c) Any of the offices or functions of the offices may be held or exercised by the same person.

Subd. 2. Qualifications. The president, secretary, and treasurer shall be adult natural persons. The bylaws may prescribe special qualifications for these offices.

Subd. 3. Removal. An officer may be removed, with or without cause, by the persons authorized to elect or appoint officers. The removal is without prejudice to the officer's contract rights.

Subd. 4. Authority, duties. (a) Officers have the authority and duties in the management of the business of the corporation that the bylaws prescribe or, in the absence of the prescription, as the board of directors determines.

(b) An officer shall discharge the duties in good faith and with the diligence and

MINNESOTA STATUTES 1986

246A.04 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 4910

care which an ordinarily prudent person, in a like position and under similar circumstances, would exercise.

History: 1986 c 462 s 4

246A.05 BYLAWS.

Subdivision 1. **Board adopts or amends.** The board of directors may adopt or amend bylaws which may contain any provision for the purpose of administering and regulating the affairs of the corporation not inconsistent with law.

Subd. 2. **Procedure and notice.** The procedure for amending the bylaws shall be specified in the bylaws. Notice of the meeting at which the amendment shall be considered and notice of the amendment shall be given as provided in the bylaws.

History: 1986 c 462 s 5

246A.06 CORPORATE POWERS.

Subdivision 1. **Authority and powers of the board.** The corporation, through its board of directors, shall have the authority and all necessary power to do the following:

- (1) prepare an annual budget governing the affairs of the corporation;
- (2) hire and discharge a chief executive officer and assistants or other employees deemed necessary to carry out the corporation's affairs;
- (3) establish personnel policies and a system of personnel management governing the employees of the corporation;
- (4) acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise any property, either real or personal;
- (5) contract for the purchase of or furnishing of medical care and services, including the furnishing of medical care for the indigent;
- (6) enter shared service and other cooperative ventures;
- (7) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general;
- (8) enter partnerships;
- (9) incorporate other corporations, both for profit and not for profit;
- (10) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations;
- (11) own shares of stock in business corporations;
- (12) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public;
- (13) sue and be sued;
- (14) continue as a public corporation perpetually;
- (15) enter into obligations or contracts and do any act incidental to the transaction of its business or expedient to its purposes, including purchasing insurance;
- (16) acquire, hold, mortgage, pledge, or dispose of shares, bonds, securities, and other evidences of indebtedness of any domestic or foreign corporation, either profit or nonprofit and either public or private, and, if the owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote;
- (17) conduct its affairs within and without this state;
- (18) merge and consolidate with other corporations, domestic or foreign, organized for related purposes;
- (19) make donations to other corporations, domestic or foreign, organized for related purposes;
- (20) be a member of other corporations, whether domestic or foreign;
- (21) obtain funds necessary for its operations by borrowing upon terms and conditions which the corporation finds to be in its best interests;
- (22) accept from the United States, the state of Minnesota or its agencies or

MINNESOTA STATUTES 1986

4911 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 246A.10

political subdivisions of government, and from private sources land, money, or other assistance;

(23) take any action relative to the delivery of health care services which could be taken by a nonprofit corporation under chapter 317, and shall, when so acting, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317;

(24) pay a per diem and expenses to the members of the board of directors; and

(25) exercise any power conferred upon a private nonprofit corporation by chapter 317.

Subd. 2. **Other powers.** The corporation shall have all the powers necessary and convenient for the operation, administration, management, and control of the corporation's affairs. The enumeration of specific powers in this chapter is not intended to restrict the power of the corporation to take any action which in the exercise of its discretion is necessary or convenient to further the purposes for which the corporation exists, and that is not otherwise prohibited by law, whether or not the power to take the action is necessarily implied from the powers expressly granted.

Subd. 3. **Subsidiary corporations.** Pursuant to the authority granted to the corporation in subdivision 1, clause (9), the corporation shall, at a minimum, create two subsidiary corporations. One subsidiary corporation shall be charged with the governance and operation of the St. Paul Ramsey Medical Center. The other subsidiary corporation shall be an association of physicians and dentists. Both subsidiaries shall be governed by boards of directors that are elected by the corporation's board of directors. The bylaws of both subsidiaries must be ratified by the corporation's board of directors prior to taking effect.

Subd. 4. **Exception to other law.** Notwithstanding any law to the contrary, the hospital subsidiary corporation shall not be subject to the provisions of chapter 179A and sections 471.345 to 471.37. Notwithstanding any law to the contrary, any organization, association, partnership, or corporation created by, controlled by, or owned by the corporation shall not be subject to the provisions of chapters 13 and 179A, and sections 471.345 to 471.37 and 471.705.

History: 1986 c 462 s 6

246A.07 CORPORATE SEAL.

The corporation shall not have a corporate seal.

History: 1986 c 462 s 7

246A.08 ANNUAL MEETING.

Each year the corporation shall hold a meeting which must be open to the public. At this meeting the board of directors and the chief executive officers of the corporation shall report on the affairs of the corporation and goals for the future.

History: 1986 c 462 s 8

246A.09 ANNUAL AUDIT.

Each year an audit must be conducted regarding the corporation's finances. The audit must be conducted by an independent accountant selected by the board of directors and be performed in accordance with generally accepted accounting practices and auditing standards. The audit report must be available for public inspection.

History: 1986 c 462 s 9

246A.10 PUBLIC DEPOSITORY.

The corporation shall have jurisdiction over its accounts and payrolls and shall establish and maintain a public depository. The depository must be subject to chapter 118, except that the corporation shall determine the appropriate security. The corporation shall establish and maintain all necessary accounts. The corporation may establish

MINNESOTA STATUTES 1986

246A.10 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 4912

reserve accounts, depreciation accounts, and working capital funds in order to operate on an accrual basis.

History: 1986 c 462 s 10

246A.11 TRANSFER OF ASSETS.

Subdivision 1. **Transfer.** Notwithstanding any other law to the contrary, Ramsey county and the city of St. Paul, or either of them, may lease any property, real or personal, acquired by either or both for the establishment, operation, or maintenance of St. Paul Ramsey Medical Center, created by section 383A.41, or that has been turned over to the center for its use; however, the lease must only be to the corporation or one of its subsidiaries.

Subd. 2. **No advertising or bids.** In the event Ramsey county and the city of St. Paul, or either of them, choose to exercise the authority granted in subdivision 1, they may do so without first advertising for bids and without receipt of any bids.

Subd. 3. **Corporate status.** The corporation shall be considered a "public corporation" for purposes of section 465.035.

Subd. 4. **Requirements of transfer.** In the event Ramsey county and the city of St. Paul, or either of them, choose to exercise the authority granted in subdivision 1, the lease must also address the following:

- (1) continued primary use of the property for health and hospital services;
- (2) indigent care; and
- (3) consideration to be paid for the property.

Subd. 5. **Property transfer to corporation.** All property, both real and personal, that is held by the St. Paul Ramsey Medical Center commission on the effective date of sections 246A.01 to 246A.27 is transferred to the corporation.

History: 1986 c 462 s 11

246A.12 TRANSITIONAL PROVISIONS; STATUS OF PRESENT EMPLOYEES.

Subdivision 1. **Employee transfer.** All employees of the St. Paul Ramsey Medical Center commission, section 383A.41, shall be transferred to the hospital subsidiary corporation.

Subd. 2. **Current positions.** Each person holding a position with the St. Paul Ramsey Medical Center commission who has acquired permanent tenure or who was serving a probationary period on the effective date of Laws 1986, chapter 462, section 12 may retain employment, seniority, and accrued benefits, including participation in deferred compensation programs. These persons shall not be subject to the Ramsey county civil service personnel system law and the rules related to it.

Subd. 3. **Charitable hospital act.** Employees of the hospital subsidiary corporation shall be subject to the charitable hospitals act, sections 179.35 to 179.39.

Subd. 4. **Bargaining units.** The hospital subsidiary corporation shall recognize existing bargaining units organized by employees of the St. Paul Ramsey Medical Center commission. The hospital subsidiary corporation shall recognize all current labor agreements and the terms of those agreements shall remain in force until the agreements expire by their terms.

Subd. 5. **Retirement exclusion.** Persons initially employed by the hospital subsidiary corporation following the effective date of Laws 1986, chapter 462, section 12 shall be excluded from the definition of "public employee" pursuant to the public employees retirement act, chapter 353.

Subd. 6. **Retirement election.** All employees presently members of the public employees retirement association transferred to the hospital subsidiary corporation pursuant to subdivision 2 shall continue to be included in the definition of "public employee" pursuant to the public employees retirement act, chapter 353. The transferred employees shall not have the election to terminate their participation in the public employees retirement association created pursuant to chapter 353 prior to June 30, 1987.

MINNESOTA STATUTES 1986

4913 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 246A.15

Subd. 7. **Political subdivision.** Solely for the purpose of establishing equitable compensation relationships, the hospital subsidiary corporation shall be considered a political subdivision pursuant to Laws 1984, chapter 651. Unless expressly provided otherwise in Laws 1986, chapter 462, sections 1 to 29, this subdivision shall not be construed to mean that the hospital subsidiary corporation is a political subdivision for any other purpose.

History: 1986 c 462 s 12

246A.13 TRANSFER OF RIGHTS.

Subdivision 1. **Corporation as continuation of commission.** The hospital subsidiary corporation created by section 246A.02 shall be considered a continuation of the St. Paul Ramsey Medical Center commission and not the creation of a new authority. The subsidiary corporation succeeds to all rights and contractual obligations of the commission with the same force and effect as if those rights and obligations had been continued in the commission itself.

Subd. 2. **Pending matters.** The hospital subsidiary corporation may conduct and complete a legal action, administrative proceeding, or other matter commenced by the St. Paul Ramsey Medical Center commission before the effective date of Laws 1986, chapter 462, sections 1 to 27, and still pending on that date, in the same manner, under the same conditions, and with the same effect as though the action, proceeding, or other matter were conducted or completed by the commission.

Subd. 3. **Transfer of documents required.** The St. Paul Ramsey Medical Center commission shall transfer and deliver to the hospital subsidiary corporation all contracts, books, bonds, plans, papers, records, and other property of every description within the jurisdiction or control of the commission.

Subd. 4. **Transfer of funds.** All unspent funds appropriated to the St. Paul Ramsey Medical Center commission are transferred and appropriated to the hospital subsidiary corporation.

History: 1986 c 462 s 13

246A.14 LEGAL COUNSEL.

The corporation and its subsidiaries may retain the Ramsey county attorney as its attorney and legal advisor. If legal services are provided by the Ramsey county attorney, the corporation and its subsidiaries shall reimburse Ramsey county for the services and the reimbursement is to be credited to the budget of the Ramsey county attorney.

History: 1986 c 462 s 14

246A.15 BONDING AUTHORITY.

Subdivision 1. **Municipality.** The corporation shall be considered a "municipality" pursuant to section 475.51, subdivision 2, for purposes of bond issuance and shall have all the authority conferred on municipalities by chapter 475 unless that authority is modified in this section.

Subd. 2. **Sale of bonds.** Notwithstanding any enumerated powers, the corporation may issue and sell revenue bonds or other revenue obligations to finance capital improvements or for the acquisition and betterment of additional facilities to be utilized for the delivery of health care and related research or for other proper corporate purposes. The revenue bonds or other revenue obligations must be payable solely from all or a portion of the revenues of the corporation.

Subd. 3. **Security for bonds.** The bonds may be secured by a mortgage of the site and facilities, or any part of it. The bonds must be in an amount and shall mature as provided by resolution of the board of directors and may be issued in one or more series and shall bear a date or dates, bear interest at a rate or rates, be in a denomination or denominations, be in the form either coupon or registered, carry the conversion or registration privileges, have rank or priority, be executed in the manner, be payable in

MINNESOTA STATUTES 1986

246A.15 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 4914

medium of payment at the place or places, and be subject to the terms of redemption with or without premium as the resolution may provide. The bonds may be sold at public or private sale at a price or prices determined by the resolution. Notwithstanding any law to the contrary, the bonds must be fully negotiable. The corporation may enter into the covenants the board by resolution shall deem necessary and proper to secure payment of the bonds. The revenue bonds must state on their face that they are not payable from nor may be a charge upon any funds other than the revenues and property pledged or mortgaged for their payment, nor shall the corporation be subject to any liability on them or have the power to obligate itself to pay or pay the revenue bonds from funds other than the revenues and property pledged and mortgaged. No holder or holders of the bonds shall ever have the right to compel any exercise of any taxing power of Ramsey county or any other public body to pay the principal of or interest on any of them, nor to enforce payment of them against any property of Ramsey county, the corporation, or any other public body other than that expressly pledged or mortgaged for their payment.

History: 1986 c 462 s 15

246A.16 OPEN MEETINGS.

Subdivision 1. Corporation and hospital subsidiary subject to open meeting law. The corporation and the hospital subsidiary corporation shall each be a "public body" for purposes of the Minnesota open meeting law, section 471.705.

Subd. 2. Board action. Notwithstanding any law to the contrary, the corporation and the hospital subsidiary corporation may meet in closed session to discuss and take action on specific matters involving contracts or marketing activity in cases where the corporation or its subsidiaries are in competition with health care providers that offer similar goods or services, and where the disclosure of information pertaining to such matters would cause harm to the competitive position of the corporation or its subsidiaries.

Subd. 3. Closed meetings; recording. The board of directors may by a majority vote in a public meeting decide to hold a closed meeting pursuant to subdivision 2. The time of commencement and place of the closed meeting shall be announced at the public meeting. A written roll of members present at the closed meeting shall be made available to the public after the closed meeting. The proceedings of a closed meeting shall be tape recorded at the expense of the board of directors and shall be preserved by it for two years. The data on the tape are considered nonpublic data pursuant to section 13.02, subdivision 9.

History: 1986 c 462 s 16

246A.17 GOVERNMENT DATA PRACTICES ACT.

Subdivision 1. Political subdivision. The corporation and the hospital subsidiary corporation shall each be a "political subdivision" for purposes of the Minnesota government data practices act, chapter 13.

Subd. 2. Trade secret information. Notwithstanding any law to the contrary, data concerning specific matters involving contracts or marketing activity in cases where the corporation or its subsidiaries are in competition with health care providers that offer similar goods or services are "trade secret information" for purposes of section 13.37, subdivision 2, to the extent disclosure of information pertaining to such matters would cause harm to the competitive position of the corporation or its subsidiaries.

History: 1986 c 462 s 17

246A.18 TORT LIABILITY.

The corporation and the hospital subsidiary corporation shall each be a "municipality" for purposes of tort liability pursuant to chapter 466.

History: 1986 c 462 s 18

MINNESOTA STATUTES 1986

4915 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 246A.22

246A.19 PURCHASING.

Subdivision 1. **Municipality status.** The corporation shall not be a "municipality" pursuant to section 471.345, subdivision 1, for the purposes of the uniform municipal contracting law, sections 471.345 to 471.37.

Subd. 2. **Service contracts.** Notwithstanding any law to the contrary, the corporation may purchase directly or utilize the services of a nonprofit cooperative hospital service organization, the city of St. Paul, the state, the University of Minnesota, or any other political subdivision or agency of the state in the purchase of all goods, materials, and services that the corporation may require. These purchases must be made in compliance with laws of the state, except that purchase through a nonprofit cooperative hospital service organization is not subject to sections 471.345 to 471.37.

History: 1986 c 462 s 19

246A.20 PUBLIC EMPLOYMENT.

Unless otherwise provided by sections 246A.01 to 246A.27, the employees of the corporation and its subsidiaries are not "public employees" and the corporation is not a "public employer" for purposes of the public employment labor relations act, chapter 179A and the public employees retirement act, chapter 353.

History: 1986 c 462 s 20

246A.21 EMPLOYEE SALARY LIMITS AND COMPENSATION.

Subdivision 1. **Employee salaries.** Notwithstanding section 43A.17, subdivision 9, or any other law to the contrary, the corporation and its subsidiaries have the discretion to set all employee salaries at levels which are considered appropriate by the respective boards of directors.

Subd. 2. **Employee compensation; construction and building trade.** The total compensation package, including wage plus benefit rates, of all employees that are members of a construction or building trade for which there is a generally established and recognized scale of wages inside the county, shall be equal to the total compensation package of private sector construction trade employees within the county as established by collective bargaining agreements.

History: 1986 c 462 s 21

246A.22 WORKERS' COMPENSATION.

Subdivision 1. **Self-insurance.** The corporation and its subsidiaries are permitted to self-insure their liability pursuant to section 176.181, subdivision 2.

Subd. 2. **Benefits.** The appointing authority may provide for the payment of additional benefits to employees from their accumulated vacation, sick leave, or overtime credits if the employees of the corporation and any of its subsidiaries are entitled to the benefits of the workers' compensation law and have at the time of compensable injury accumulated credits under a vacation, sick leave, or overtime plan or system maintained by the corporation by which they are employed. The additional payments to an employee may not exceed the amount of the total sick leave, vacation, or overtime credits accumulated by the employee and shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. The additional payments to any employee shall be charged against the sick leave, vacation, and overtime credits accumulated by the employee. Employees of the corporation and any of its subsidiaries entitled to the benefits of the workers' compensation law may receive additional benefits pursuant to a collective bargaining agreement or other plan, entered into or in effect on or after January 1, 1980, providing payments by or on behalf of the employer and these additional benefits may be unrelated to any accumulated sick leave, holiday, or overtime credits and need not be charged against any accumulation; provided that the additional payments must not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. The corporation and its subsidiaries may adopt rules and

MINNESOTA STATUTES 1986

246A.22 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 4916

regulations consistent with chapter 179 to carry out this section relating to payment of additional benefits to employees from accumulated sick leave, vacation, overtime credits, or other sources.

History: 1986 c 462 s 22

246A.23 DEFERRED COMPENSATION; INDIVIDUAL ANNUITY CONTRACTS.

Subdivision 1. Deferral of compensation. Notwithstanding any law to the contrary, at the request of an employee of the corporation or any of its subsidiaries, the appointing authority shall by payroll deduction defer the payment of part of the compensation of the employee, as provided in a written agreement between the employee and the appointing authority, in a manner that will qualify the deferred amount for benefits afforded under federal and state tax laws, regulations, and rulings.

Subd. 2. Annuity contract. At the request of an employee and as part of the employee's compensation arrangement, the corporation, or any of its subsidiaries may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an employee for retirement or other purposes and may make payroll allocations in accordance with the arrangement for the purpose of paying the entire premium due or to become due under the annuity contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion of them, for the benefit afforded under section 403(b) of the Internal Revenue Code of 1954, or any equivalent provisions of subsequent federal income tax law. The employee is the owner of the contract and the employee's rights under the contract are nonforfeitable except for failure to pay premiums.

History: 1986 c 462 s 23

246A.24 TAX EXEMPT STATUS.

The corporation is an organization exempt from taxation pursuant to chapters 290 and 297A.

History: 1986 c 462 s 24

246A.25 PREPAID HEALTH PLAN.

The hospital subsidiary corporation is a county affiliated public teaching hospital for purposes of section 256D.03, subdivision 4.

History: 1986 c 462 s 25

246A.26 LIMITATIONS UPON CORPORATE POWERS.

Subdivision 1. Attempts to influence legislation. The corporation shall not create propaganda or otherwise attempt to influence legislation to such an extent as would result in the loss of exemption under section 501(c)(3) of the Internal Revenue Code of 1954. The corporation shall not participate by the publication or distribution of statements or by any other means, in any political campaign on behalf of any candidate for public office.

Subd. 2. Use of income. No part of the assets or income of the corporation shall be used for objects or purposes which are not exclusively charitable, educational, or scientific under section 501(c)(3) of the Internal Revenue Code of 1954, and the laws of the state of Minnesota.

Subd. 3. Compensation limitations. No compensation or payment shall ever be made or paid to any officer, director, or trustee or the corporation except as reimbursement for actual expenditures made on behalf of the corporation and as reasonable compensation for services actually rendered. No part of the net earnings and assets of the corporation shall inure to the benefit of any private individual, nor shall any part of the income or assets of the corporation be distributed to or divided among any private individual as dividends or otherwise. The corporation shall not afford pecu-

MINNESOTA STATUTES 1986

4917 PUBLIC CORPORATION FOR DELIVERY OF HEALTH CARE AND RELATED SERVICES 246A.27

niary gain, incidentally or otherwise, to its members except that the corporation may afford pecuniary gain to any member, as designated in the bylaws, that is a nonprofit corporation described in section 501(c)(3) of the Internal Revenue Code of 1954.

Subd. 4. **Transfer upon liquidation.** In the event of the liquidation or dissolution of the corporation, the net assets of the corporation shall be distributed to an entity qualified for exemption under section 501(c)(3) of the Internal Revenue Code of 1954 or to any federal, state, or local governmental unit for use by it for public purposes.

History: 1986 c 462 s 26

246A.27 INDIGENT CARE.

Subdivision 1. **Services.** The hospital subsidiary corporation shall provide hospital and medical services for the indigent of Ramsey county. The services shall be equivalent to those made available to nonindigent patients.

Subd. 2. **Funds.** Notwithstanding any law to the contrary, Ramsey county may provide funds for the purchase of medical care for the indigent of Ramsey county from a provider selected by the county with or without public bid.

History: 1986 c 462 s 27