MUNICIPAL HEALTH FACILITIES CORPORATIONS ACT (EXCERPT)
Act 230 of 1987

331.1203 Corporation as successor to county public hospital.

Sec. 203. (1) Upon the expiration of 90 days after the effective date of this act, a county public hospital organized and existing under Act No. 350 of the Public Acts of 1913, being sections 331.151 to 331.169 of the Michigan Compiled Laws, or Act No. 109 of the Public Acts of 1945, being sections 331.201 to 331.213 of the Michigan Compiled Laws, on the effective date of this act shall be considered to be a corporation incorporated and existing under this act without the adoption or filing of articles of incorporation, without a vote of county electors, and without diminishing the terms of office of persons serving as trustees on the effective date of this act. A county public hospital shall not be considered to be a corporation incorporated and existing under this act upon the expiration of the 90-day period if, within the 90-day period, the county board of commissioners of the county in which the county public hospital is located passes a resolution prohibiting incorporation of the county public hospital under this act. Any such resolution shall be effective for not longer than 12 months after the date of passage. Before the expiration of the 12-month period, and annually thereafter, the county board of commissioners may pass a succeeding resolution prohibiting the incorporation of the county public hospital under this act. If the county board of commissioners fails to pass a succeeding resolution before the expiration of a 12-month period, the county public hospital automatically shall be incorporated under this act. The county board of commissioners of the county may at any time after the effective date of this act adopt articles of incorporation for the corporation in accordance with section 206. Until such time as any such articles of incorporation are effective, the provisions of this act shall be considered to constitute the articles of incorporation of the corporation. Unless and until articles of incorporation providing different numbers of trustees or terms of office are effective, corporations governed by Act No. 350 of the Public Acts of 1913 on the effective date of this act shall have a board of 9 trustees serving 6-year terms, and corporations governed by Act No. 109 of the Public Acts of 1945 on the effective date of this act shall have a board of 5 trustees serving 3-year terms.

(2) Unless a resolution prohibiting incorporation of the county public hospital under this act has been passed and is in effect as provided in subsection (1), any county public hospital which has continuously operated for not less than the 15 years immediately preceding the effective date of this act and which has functioned or purported to function under Act No. 350 of the Public Acts of 1913, but which is unable to document compliance with sections 1, 2, and 3 of Act No. 350 of the Public Acts of 1913, being sections 331.151, 331.152, and 331.153 of the Michigan Compiled Laws, or any county public hospital which has continuously operated for not less than the 15 years immediately preceding the effective date of this act and which has functioned or purported to function under Act No. 109 of the Public Acts of 1945, but which is unable to document compliance with section 2 of Act No. 109 of the Public Acts of 1945, being section 331.202 of the Michigan Compiled Laws, shall be considered to be a corporation described in subsection (1). All actions taken by its board of hospital trustees in good faith prior to the effective date of this act shall be validated, ratified, and confirmed, provided the county public hospital files a notice of its intention to utilize this subsection with the county board of commissioners and the county clerk within 90 days after the effective date of this act. If necessary, the board of trustees shall be reconstituted in accordance with section 209(2), but without diminishing the terms of office of persons serving as trustees on the effective date of this act.

(3) Upon the expiration of 90 days after the effective date of this act, unless a resolution prohibiting incorporation of the county public hospital under this act has been passed and is in effect as provided in subsection (1), each corporation described in subsection (1) or (2) shall be considered to be the successor to the county public hospital for the county, and the terms of office of trustees shall continue. The corporation shall have all of the rights, privileges, immunities, and franchises of its predecessor county public hospital, all personal property, all debts due on whatever account, and all choses in action. All interests and licenses of or belonging to the county public hospital shall be considered to be transferred to and vested in the corporation without further act or deed. Such interests and licenses shall not be considered to have undergone any change of ownership for the purpose of any law or regulation, nor shall the fiscal year of any county public hospital be considered to have ended solely because this act takes effect. The title to any real estate, or any interest in real estate, vested in any county or county public hospital, shall not revert or in any way be impaired because a corporation succeeds a county public hospital pursuant to this act.

(4) Upon the expiration of 90 days after the effective date of this act, unless a resolution prohibiting incorporation of the county public hospital under this act has been passed and is in effect as provided in subsection (1), each corporation described in subsection (1) or (2) shall be considered to be the owner of all money and other property then deposited in the treasury of the county to the credit of the hospital fund and shall be entitled to all interest and other earnings accruing on those funds on and after the effective date of this

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act. The corporation shall be the owner of all other personal property used exclusively by or for the county public hospital. The treasurer of any county having custody of money and other property belonging to a corporation pursuant to this subsection shall arrange for the prompt transfer of such money and other property to the custody of the corporation.

(5) Upon the expiration of 90 days after the effective date of this act, unless a resolution prohibiting incorporation of the county public hospital under this act has been passed and is in effect as provided in subsection (1), each corporation described in subsection (1) or (2) shall be the employer of all persons employed by the county public hospital and shall assume and be bound by any labor agreement in existence on the effective date of this act and applicable to the county public hospital, but shall not be subject to greater obligations with respect to the terms, conditions, or duration of employment than was the county public hospital immediately preceding the effective date of this act. A representative of the employees or a group of employees who is entitled to represent the employees or group of employees under Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.216 of the Michigan Compiled Laws, shall continue to be the representative of the employees or group of employees. This subsection does not limit the rights of the hospital employees, under applicable law, to assert that a bargaining representative protected by this subsection is no longer the representative of the employees.

(6) Upon the expiration of 90 days after the effective date of this act, unless a resolution prohibiting incorporation of the county public hospital under this act has been passed and is in effect as provided in subsection (1), each corporation described in subsection (1) or (2) shall be responsible and liable for all liabilities and obligations of the county public hospital it succeeds. A claim existing or an action or proceeding pending by or against a county public hospital may be prosecuted by the corporation succeeding it in the name of the county public hospital, or the corporation may be substituted. The rights of creditors and any lien upon the property of a county or a county public hospital existing on the effective date of the act shall not be impaired.

History: 1987, Act 230, Eff. Feb. 27, 1988.

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