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Senate Bill 374 (as introduced 5-11-11)
Sponsor: Senator John Moolenaar
Committee: Health Policy

Date Completed: 6-9-11

CONTENT

The bill would amend the Municipal Health Facilities Corporations Act to revise procedures for filling positions on the board of a municipal health facilities corporation or subsidiary corporation.

Under the Act, a local governmental unit (a county, city, or village) may incorporate a public hospital or other health facility. If a local governmental unit does so, the county board of commissioners, or the city or village council, as applicable, must appoint trustees to all positions on the corporation's board. When a local governmental unit incorporates a subsidiary, the board of trustees of the parent corporation must submit to the applicable governing body the names of subsidiary board nominees. Also, to fill a vacancy on the board of a corporation or subsidiary corporation, the remaining board members must submit to the applicable governing body the names of three nominees. The governing body must consider the nominations and make appointments to the board of the corporation or subsidiary. The governing body is not required to fill a position with one of the three nominees, but if it does not, it must request and consider additional nominees as prescribed in the Act until the position is filled.

The bill would retain the requirement that the applicable governing body appoint the members of the initial board of trustees of a municipal health facilities corporation, but would delete the process involving the nomination of members to serve on the initial subsidiary board or fill vacancies.

Under the bill, after the initial board of trustees, when the term of office of a trustee expired or was otherwise vacant, the remaining board members would have to fill the vacancy with the advice and consent of the applicable local governing body. The bill also would require the board of trustees of a parent corporation to appoint an initial subsidiary board and fill vacancies with the local governing body's advice and consent. These requirements would not apply to an ex officio member who was appointed by a chief executive officer (CEO).

MCL 331.1209 & 331.1258

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.