

1 AN ACT concerning hospitals.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Hospital District Law is amended by
5 changing Sections 15 and 21.2 as follows:

6 (70 ILCS 910/15) (from Ch. 23, par. 1265)

7 Sec. 15. A Hospital District shall constitute a
8 municipal corporation and body politic separate and apart
9 from any other municipality, the State of Illinois or any
10 other public or governmental agency and shall have and
11 exercise the following governmental powers, and all other
12 powers incidental, necessary, convenient, or desirable to
13 carry out and effectuate such express powers.

14 1. To establish and maintain a hospital and hospital
15 facilities within or outside its corporate limits, and to
16 construct, acquire, develop, expand, extend and improve any
17 such hospital or hospital facility. If a Hospital District
18 utilizes its authority to levy a tax pursuant to Section 20
19 of this Act for the purpose of establishing and maintaining
20 hospitals or hospital facilities, such District shall be
21 prohibited from establishing and maintaining hospitals or
22 hospital facilities located outside of its district unless so
23 authorized by referendum. To approve the provision of any
24 service and to approve any contract or other arrangement not
25 prohibited by a hospital licensed under the Hospital
26 Licensing Act, incorporated under the General Not-For-Profit
27 Corporation Act, and exempt from taxation under paragraph (3)
28 of subsection (c) of Section 501 of the Internal Revenue
29 Code.

30 2. To acquire land in fee simple, rights in land and
31 easements upon, over or across land and leasehold interests

1 in land and tangible and intangible personal property used or
2 useful for the location, establishment, maintenance,
3 development, expansion, extension or improvement of any such
4 hospital or hospital facility. Such acquisition may be by
5 dedication, purchase, gift, agreement, lease, use or adverse
6 possession or by condemnation.

7 3. To operate, maintain and manage such hospital and
8 hospital facility, and to make and enter into contracts for
9 the use, operation or management of and to provide rules and
10 regulations for the operation, management or use of such
11 hospital or hospital facility.

12 Such contracts may include the lease by the District of
13 all or any portion of its facilities to a not-for-profit
14 corporation organized by the District's board of directors.
15 The rent to be paid pursuant to any such lease shall be in an
16 amount deemed appropriate by the board of directors. Any of
17 the remaining assets which are not the subject of such a
18 lease may be conveyed and transferred to the not-for-profit
19 corporation organized by the District's board of directors
20 provided that the not-for-profit corporation agrees to
21 discharge or assume such debts, liabilities, and obligations
22 of the District as determined to be appropriate by the
23 District's board of directors.

24 4. To fix, charge and collect reasonable fees and
25 compensation for the use or occupancy of such hospital or any
26 part thereof, or any hospital facility, and for nursing care,
27 medicine, attendance, or other services furnished by such
28 hospital or hospital facilities, according to the rules and
29 regulations prescribed by the board from time to time.

30 5. To borrow money and to issue general obligation
31 bonds, revenue bonds, notes, certificates, or other evidences
32 of indebtedness for the purpose of accomplishing any of its
33 corporate purposes, subject to compliance with any conditions
34 or limitations set forth in this Act or the Health Facilities

1 Planning Act or otherwise provided by the constitution of the
2 State of Illinois and to execute, deliver, and perform
3 mortgages and security agreements to secure such borrowing.

4 6. To employ or enter into contracts for the employment
5 of any person, firm, or corporation, and for professional
6 services, necessary or desirable for the accomplishment of
7 the corporate objects of the District or the proper
8 administration, management, protection or control of its
9 property.

10 7. To maintain such hospital for the benefit of the
11 inhabitants of the area comprising the District who are sick,
12 injured, or maimed regardless of race, creed, religion, sex,
13 national origin or color, and to adopt such reasonable rules
14 and regulations as may be necessary to render the use of the
15 hospital of the greatest benefit to the greatest number; to
16 exclude from the use of the hospital all persons who wilfully
17 disregard any of the rules and regulations so established; to
18 extend the privileges and use of the hospital to persons
19 residing outside the area of the District upon such terms and
20 conditions as the board of directors prescribes by its rules
21 and regulations.

22 8. To police its property and to exercise police powers
23 in respect thereto or in respect to the enforcement of any
24 rule or regulation provided by the ordinances of the District
25 and to employ and commission police officers and other
26 qualified persons to enforce the same.

27 The use of any such hospital or hospital facility of a
28 District shall be subject to the reasonable regulation and
29 control of the District and upon such reasonable terms and
30 conditions as shall be established by its board of directors.

31 A regulatory ordinance of a District adopted under any
32 provision of this Section may provide for a suspension or
33 revocation of any rights or privileges within the control of
34 the District for a violation of any such regulatory

1 ordinance.

2 Nothing in this Section or in other provisions of this
3 Act shall be construed to authorize the District or board to
4 establish or enforce any regulation or rule in respect to
5 hospitalization or in the operation or maintenance of such
6 hospital or any hospital facilities within its jurisdiction
7 which is in conflict with any federal or state law or
8 regulation applicable to the same subject matter.

9 9. To provide for the benefit of its employees group
10 life, health, accident, hospital and medical insurance, or
11 any combination of such types of insurance, and to further
12 provide for its employees by the establishment of a pension
13 or retirement plan or system; to effectuate the establishment
14 of any such insurance program or pension or retirement plan
15 or system, a Hospital District may make, enter into or
16 subscribe to agreements, contracts, policies or plans with
17 private insurance companies. Such insurance may include
18 provisions for employees who rely on treatment by spiritual
19 means alone through prayer for healing in accord with the
20 tenets and practice of a well-recognized religious
21 denomination. The board of directors of a Hospital District
22 may provide for payment by the District of a portion of the
23 premium or charge for such insurance or for a pension or
24 retirement plan for employees with the employee paying the
25 balance of such premium or charge. If the board of directors
26 of a Hospital District undertakes a plan pursuant to which
27 the Hospital District pays a portion of such premium or
28 charge, the board shall provide for the withholding and
29 deducting from the compensation of such employees as consent
30 to joining such insurance program or pension or retirement
31 plan or system, the balance of the premium or charge for such
32 insurance or plan or system.

33 If the board of directors of a Hospital District does not
34 provide for a program or plan pursuant to which such District

1 pays a portion of the premium or charge for any group
2 insurance program or pension or retirement plan or system,
3 the board may provide for the withholding and deducting from
4 the compensation of such employees as consent thereto the
5 premium or charge for any group life, health, accident,
6 hospital and medical insurance or for any pension or
7 retirement plan or system.

8 A Hospital District deducting from the compensation of
9 its employees for any group insurance program or pension or
10 retirement plan or system, pursuant to this Section, may
11 agree to receive and may receive reimbursement from the
12 insurance company for the cost of withholding and
13 transferring such amount to the company.

14 10. Except as provided in Section 15.3, to sell at
15 public auction or by sealed bid and convey any real estate
16 held by the District which the board of directors, by
17 ordinance adopted by at least 2/3rds of the members of the
18 board then holding office, has determined to be no longer
19 necessary or useful to, or for the best interests of, the
20 District.

21 An ordinance directing the sale of real estate shall
22 include the legal description of the real estate, its present
23 use, a statement that the property is no longer necessary or
24 useful to, or for the best interests of, the District, the
25 terms and conditions of the sale, whether the sale is to be
26 at public auction or sealed bid, and the date, time, and
27 place the property is to be sold at auction or sealed bids
28 opened.

29 Before making a sale by virtue of the ordinance, the
30 board of directors shall cause notice of the proposal to sell
31 to be published once each week for 3 successive weeks in a
32 newspaper published, or, if none is published, having a
33 general circulation, in the district, the first publication
34 to be not less than 30 days before the day provided in the

1 notice for the public sale or opening of bids for the real
2 estate.

3 The notice of the proposal to sell shall include the same
4 information included in the ordinance directing the sale and
5 shall advertise for bids therefor. A sale of property by
6 public auction shall be held at the property to be sold at a
7 time and date determined by the board of directors. The
8 board of directors may accept the high bid or any other bid
9 determined to be in the best interests of the district by a
10 vote of 2/3rds of the board then holding office, but by a
11 majority vote of those holding office, they may reject any
12 and all bids.

13 The chairman and secretary of the board of directors
14 shall execute all documents necessary for the conveyance of
15 such real property sold pursuant to the foregoing authority.

16 11. To establish and administer a program of loans for
17 postsecondary students pursuing degrees in accredited public
18 health-related educational programs at public institutions of
19 higher education. If a student is awarded a loan, the
20 individual shall agree to accept employment within the
21 hospital district upon graduation from the public institution
22 of higher education. For the purposes of this Act, "public
23 institutions of higher education" means the University of
24 Illinois; Southern Illinois University; Chicago State
25 University; Eastern Illinois University; Governors State
26 University; Illinois State University; Northeastern Illinois
27 University; Northern Illinois University; Western Illinois
28 University; the public community colleges of the State; and
29 any other public colleges, universities or community colleges
30 now or hereafter established or authorized by the General
31 Assembly. The district's board of directors shall by
32 resolution provide for eligibility requirements, award
33 criteria, terms of financing, duration of employment accepted
34 within the district and such other aspects of the loan

1 program as its establishment and administration may
2 necessitate.

3 12. To establish and maintain congregate housing units;
4 to acquire land in fee simple and leasehold interests in land
5 for the location, establishment, maintenance, and development
6 of those housing units; to borrow funds and give debt
7 instruments, real estate mortgages, and security interests in
8 personal property, contract rights, and general intangibles;
9 and to enter into any contract required for participation in
10 any federal or State programs.

11 (Source: P.A. 92-534, eff. 5-14-02.)

12 (70 ILCS 910/21.2) (from Ch. 23, par. 1271.2)

13 Sec. 21.2. The corporate authorities of any Hospital
14 District may enter into installment purchase and lease
15 agreements and issue debt certificates under subsection (b)
16 of Section 17 of the Local Government Debt Reform Act and may
17 issue and sell revenue bonds, payable from the revenue
18 derived from the operation of the hospital, for the purpose
19 of (1) constructing, reconstructing, repairing, remodeling,
20 extending, equipping, or improving a hospital building,
21 buildings, or facilities and acquiring a site or sites for a
22 hospital building, buildings, or facilities, (1.5) financing
23 operations and working cash, or (2) refunding any such
24 revenue bonds theretofore issued from time to time when
25 considered necessary or advantageous in the public interest.
26 These bonds shall be authorized by an ordinance without
27 submission thereof to the electors of the Hospital District,
28 shall mature at such time not to exceed 40 years from the
29 date of issue, and bear such rate of interest not to exceed
30 the greater of (i) the maximum rate authorized by the Bond
31 Authorization Act, as amended at the time of the making of
32 the contract, or (ii) 9% per annum, payable annually or
33 semiannually, as the corporate authorities may determine, and

1 may be sold by the corporate authorities in such manner as
2 they deem best in the public interest. However, such bonds
3 shall be sold at such price that the interest cost of the
4 proceeds therefrom will not exceed the greater of (i) the
5 maximum rate authorized by the Bond Authorization Act, as
6 amended at the time of the making of the contract, or (ii) 9%
7 per annum if issued on or after the effective date of this
8 amendatory Act, based on the average maturity of such bonds
9 and computed according to standard tables of bond values. No
10 member of the Board or hospital administration shall have any
11 personal economic interest in any bonds issued in accordance
12 with this Section.

13 The corporate authorities of any such Hospital District
14 availing itself of the provisions of this Section shall adopt
15 an ordinance describing in a general way the building,
16 buildings, or facilities, or additions or extensions thereto,
17 to be constructed, reconstructed, repaired, remodeled,
18 extended, equipped or improved, and the site or sites to be
19 acquired. Such ordinance shall set out the estimated cost of
20 such construction, reconstruction, repair, remodeling,
21 extension, equipment, improvement or acquisition and fix the
22 amount of revenue bonds proposed to be issued, the maturity,
23 interest rate, and all details in respect thereof, including
24 any provision for redemption prior to maturity, with or
25 without premium, and upon such notice as may be provided by
26 the ordinance. Such ordinance may also contain such
27 provisions and covenants which shall be part of the contract
28 between the Hospital District and the holders of such bonds
29 as may be considered necessary and advisable as to the
30 operation, maintenance, and management of the hospital or
31 hospitals, the establishment and maintenance of sinking
32 funds, reserve funds, and other special funds, including
33 construction funds, the fixing and collection of rents, fees
34 and charges for the use of the facilities of the hospital or

1 hospitals sufficient to produce revenue adequate to maintain
2 such funds and to pay the bonds at maturity and accruing
3 interest thereon, the issuance thereafter of additional bonds
4 payable from the revenues derived from the hospital or
5 hospitals, the kind and amount of insurance, including use
6 and occupancy insurance, if any, to be carried, the cost of
7 which shall be payable only from the revenues derived from
8 the hospital or hospitals and such other covenants deemed
9 necessary or desirable to assure the successful operation and
10 maintenance of the hospital or hospitals and the prompt
11 payment of the principal of and interest upon the bonds so
12 authorized.

13 Revenue bonds issued under this Section shall be signed
14 by the chairman and secretary of the Board or such other
15 officers as the Board may by ordinance direct to sign such
16 bonds, and shall be payable from revenue derived from the
17 operation of the hospital or hospitals. These bonds may not
18 in any event constitute an indebtedness of the Hospital
19 District within the meaning of any constitutional provision
20 or limitation. It shall be plainly written or printed on the
21 face of each bond that the bond has been issued under the
22 provisions of this Section, that the bond, including the
23 interest thereon, is payable from the revenue pledged to the
24 payment thereof, and that it does not constitute an
25 indebtedness or obligation of the Hospital District within
26 the meaning of any constitutional or statutory limitation or
27 provision. No holder of any such revenue bond may compel any
28 exercise of the taxing power of the Hospital District to pay
29 such bond or interest thereon.

30 The District may not issue any bonds under this Section
31 unless a public hearing, with adequate notice to the public,
32 is held prior to the issuance of the bonds. Notice of the
33 hearing giving the purpose, time and place of the hearing
34 shall be published at least once, not more than 30 nor less

1 than 15 days before the hearing, in one or more newspapers
2 published in the district, and if there is none, in a
3 newspaper published in the county and having general
4 circulation in the district.

5 With respect to instruments for the payment of money
6 issued under this Section either before, on, or after the
7 effective date of this amendatory Act of 1989, it is and
8 always has been the intention of the General Assembly (i)
9 that the Omnibus Bond Acts are and always have been
10 supplementary grants of power to issue instruments in
11 accordance with the Omnibus Bond Acts, regardless of any
12 provision of this Act that may appear to be or to have been
13 more restrictive than those Acts, (ii) that the provisions of
14 this Section are not a limitation on the supplementary
15 authority granted by the Omnibus Bond Acts, and (iii) that
16 instruments issued under this Section within the
17 supplementary authority granted by the Omnibus Bond Acts are
18 not invalid because of any provision of this Act that may
19 appear to be or to have been more restrictive than those
20 Acts.

21 (Source: P.A. 89-104, eff. 7-7-95.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.