

## LEGISLATIVE BILL 898

Approved by the Governor February 12, 1996

Introduced by Executive Board: Vrtiska, 1, Acting Chairperson

AN ACT relating to health care providers; to amend sections 23-3586, 23-3594, 71-7601, 71-7602, 77-2715.07, and 77-2734.03, Revised Statutes Supplement, 1994; to repeal provisions that terminated July 1, 1995; to repeal a tax imposed for calendar years 1993 and 1994; to harmonize provisions; to repeal the original sections; and to outright repeal sections 23-3594.01 to 23-3594.09, 77-2727.01, and 77-4801 to 77-4807, Revised Statutes Supplement, 1994, and section 23-3586.01, Revised Statutes Supplement, 1995.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 23-3586, Revised Statutes Supplement, 1994, is amended to read:

23-3586. Such petitions, written objections, findings, and recommendations filed as provided in sections 23-3584 and 23-3585, if any, shall be heard by the county board without any unnecessary delay. In making its determination with respect to whether or not a proposed authority should be declared a public corporation of this state, the county board shall ascertain, to its satisfaction, that all of the requirements set forth in the Hospital Authorities Act have been met or complied with. If the county board determines that the formation of such authority will be conducive to the public health, convenience, or welfare, it shall declare the authority a public corporation and body politic of this state and shall declare the trustees nominated, or in case of meritorious objection thereto, other suitable trustees who shall be electors residing within the county in which the authority is situated, to be the board of trustees of the authority to serve until their successors are appointed and qualified. The board of trustees shall not consist of more than eleven members. In arriving at its determination as to who should be appointed to initial membership on the board of trustees of an authority, the county board shall give due consideration to each nominee's general reputation in the community, his or her education and experience in areas such as education, medicine, hospital administration, business management, finance, law, engineering, and other fields which might be of benefit to the authority, his or her background in public service activities, the amount of time and energy that he or she might be expected to be able to devote to the affairs of the authority, and such other factors as the county board may deem relevant. One or more of the trustees initially appointed shall be consumers of health care services as distinguished from providers of health care services. The county board in appointing the initial trustees shall classify such initial trustees so that approximately one-third of their number shall serve for two years, approximately one-third of their number shall serve for four years, and approximately one-third of their number shall serve for six years, their successors to be thereafter appointed for terms of six years each, except as provided in section 23-3586-01.

Sec. 2. Section 23-3594, Revised Statutes Supplement, 1994, is amended to read:

23-3594. Each hospital authority shall have and exercise the following powers:

(1) To have perpetual succession as a body politic and corporate, except that any county board having declared a hospital authority to be a public corporation and body politic of this state shall, upon a showing duly made and with appropriate notice given to the Secretary of State, but not sooner than upon expiration of a period of two years from and after the date upon which the record relating to formation of such hospital authority was filed with the Secretary of State pursuant to section 23-3587, enter an order dissolving any hospital authority which does not then have under construction, own, lease as lessee or as lessor, or operate a hospital;

(2) To have and use a corporate seal and alter it at pleasure;

(3) To sue and be sued in all courts and places and in all actions and proceedings whatever;

(4) To purchase, receive, have, take, hold, lease as lessee, use, and enjoy property of every kind and description within the limits of the authority and to control, dispose of, sell for a nominal or other consideration, convey, and encumber the same and create a leasehold interest in the same, as lessor, with any nonprofit person, firm, partnership, limited

liability company, association, or corporation, other than a county, city, or village in this state, for the benefit of the authority;

(5) To administer any trust declared or created for hospitals of the authority and to receive by gift, devise, or bequest and hold, in trust or otherwise, property situated in this state or elsewhere and, if not otherwise provided, dispose of the same for the benefit of such hospitals;

(6) To employ legal counsel to advise the board of trustees in all matters pertaining to the business of the authority and to perform such functions with respect to the legal affairs of the authority as the board may direct;

(7) To employ such technical experts and such officers, agents, and employees, permanent and temporary, as it may require and to determine their qualifications, duties, and compensation, such technical experts, officers, agents, and employees to hold their offices or positions at the pleasure of the board;

(8) To delegate to one or more of its agents or employees such powers and duties as it deems proper;

(9) To do any and all things which an individual might do which are necessary for and to the advantage of a hospital;

(10) To purchase, construct, establish, or otherwise acquire and to improve, alter, maintain, and operate one or more hospitals situated within the territorial limits of the authority. The term hospital as used in the Hospital Authorities Act shall mean and include, except as used in sections 23-3586.01, 23-3594.01, and section 23-3597, any structure or structures suitable for use as a hospital, nursing home, clinic, or other health care facility, laboratory, laundry, nurses' or interns' residences and dormitories, administration buildings, research facilities, and maintenance, storage, or utility facilities and other structures or facilities reasonably related thereto or required or useful for the operation thereof, including parking and other facilities or structures essential or convenient for the orderly operation thereof and shall also include furniture, instruments, equipment, and machinery and other similar items necessary or convenient for the operations thereof, and any hospital authority which has established or acquired a hospital may also purchase, construct, or otherwise acquire and improve, alter, maintain, and operate all types of ancillary care facilities, including rehabilitation, recreational, and research facilities for children, addicted persons, disabled individuals, and elderly persons, including both residential and outpatient care and ancillary facilities for physicians, technicians, educators, psychologists, social scientists, scientists, nutritionists, administrators, interns, residents, nurses, students preparing to engage in the health service field, and other health care related personnel;

(11) To enter into contracts and other agreements for the purchase, construction, establishment, acquisition, management, operation, and maintenance of any hospital or any part thereof upon such terms and conditions and for such periods of time as its board of trustees may determine;

(12) To do any and all other acts and things necessary to carry out the Hospital Authorities Act, including the power to borrow money on its bonds, notes, debentures, or other evidences of indebtedness and to secure the same by pledges of its revenue in the manner and to the extent provided in the act and to fund or refund the same; and

(13) To acquire, maintain, and operate ambulances or ambulance services within and without the authority, ~~and~~

~~(14) Until July 1, 1997, to raise revenue by levying a tax on hospitals within the jurisdiction in accordance with section 23-3594.01 and to refund any overpayment of any tax collected pursuant to such section.~~

Sec. 3. Section 71-7601, Revised Statutes Supplement, 1994, is amended to read:

71-7601. (1) It is the intent of the Legislature that the state and the health care industry cooperate to ensure that all medicaid patients have statewide access to physician services.

(2) It is the intent of the Legislature to work with the Governor's Blue Ribbon Task Force and Interagency Council on Medicaid to progress toward a long-term solution for health care reform.

~~(3) It is the intent of the legislature that sections 23-3586.01 and 23-3594.01 to 23-3594.09 provide authority for intergovernmental transfers to qualify for federal financial participation to aid urban areas with a disproportionate number of persons requiring inpatient hospital care and with additional costs for such care.~~

Sec. 4. Section 71-7602, Revised Statutes Supplement, 1994, is amended to read:

71-7602. Any directive or notification by the federal Health Care

Financing Administration regarding the provisions of sections 23-3579, 23-3582, 23-3586, 23-3586.01, 23-3594, and to 23-3594.09, 71-7601, 71-7602, 77-2701, 77-2715.07, 77-2727.01, 77-2734.03, and 77-4801 to 77-4807 shall be considered a final determination.

Sec. 5. Section 77-2715.07, Revised Statutes Supplement, 1994, is amended to read:

77-2715.07. (1) There shall be allowed to qualified resident individuals as a nonrefundable credit against the tax imposed by sections 77-2714 to 77-27123:

(a) A credit equal to the federal credit allowed under section 22 of the Internal Revenue Code;

(b) A credit equal to twenty-five percent of the federal credit allowed under section 21 of the Internal Revenue Code; and

(c) A credit for taxes paid to another state as provided in section 77-2730.

(2) There shall be allowed to all individuals as a nonrefundable credit against the tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit for personal exemptions allowed under section 77-2716.01; and

(b) A credit for contributions to certified community betterment programs as provided in the Community Development Assistance Act. Each partner, each shareholder of an electing subchapter S corporation, each beneficiary of an estate or trust, or each member of a limited liability company shall report his or her share of the credit in the same manner and proportion as he or she reports the partnership, subchapter S corporation, estate, trust, or limited liability company income.

(3) There shall be allowed as a credit against the tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit to all resident estates and trusts for taxes paid to another state as provided in section 77-2730; and

(b) A credit to all estates and trusts for contributions to certified community betterment programs as provided in the Community Development Assistance Act.

(4) There shall be allowed to any health care provider a nonrefundable credit equal to the amount of tax paid under the Health Care Provider Income Tax Act.

Sec. 6. Section 77-2734.03, Revised Statutes Supplement, 1994, is amended to read:

77-2734.03. (1) Any (a) insurer paying a tax on premiums and assessments pursuant to section 77-908 or 81-523, (b) electric cooperative organized under the Joint Public Power Authority Act, or (c) credit union shall be credited, in the computation of the tax due under the Nebraska Revenue Act of 1967, with the amount paid during the taxable year as taxes on such premiums and assessments and taxes in lieu of intangible tax.

(2) There shall be allowed to corporate taxpayers a credit for nonhighway use motor vehicle fuels as provided in section 66-4,124.

(3) There shall be allowed to corporate taxpayers a tax credit for contributions to community betterment programs as provided in the Community Development Assistance Act.

(4) There shall be allowed to any health care provider a nonrefundable credit equal to the amount of tax paid under the Health Care Provider Income Tax Act.

Sec. 7. Original sections 23-3586, 23-3594, 71-7601, 71-7602, 77-2715.07, and 77-2734.03, Revised Statutes Supplement, 1994, are repealed.

Sec. 8. The following sections are outright repealed: Sections 23-3594.01 to 23-3594.09, 77-2727.01, and 77-4801 to 77-4807, Revised Statutes Supplement, 1994, and section 23-3586.01, Revised Statutes Supplement, 1995.