

No. 1985-55

AN ACT

HB 336

Amending the act of April 9, 1929 (P.L.177, No.175), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," further providing for appointments to the Energy Development Authority; and providing for the transfer of Connellsville State General Hospital.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. As much of section 202 as relates to the Board of Trustees of Connellsville State General Hospital in the Department of Public Welfare of the act of April 9, 1929 (P.L.177, No.175), known as the Administrative Code of 1929, is repealed.

Section 2. Section 401 of the act, amended February 17, 1984 (P.L.75, No.14), is amended to read:

Section 401. Boards of Trustees of State Institutions.—The boards of trustees of each of the State institutions hereinafter mentioned shall consist of nine members, and the head of the department having supervision over the institution ex officio.

The terms of each member of each such board shall be six years, and until his successor is appointed and qualified.

The terms of the first three members of all boards, the members of which now serve for terms of four years, appointed by the Governor on or after the third Tuesday of January, 1959, shall expire on the third Tuesday of January, 1961. The terms of the next three members appointed shall expire on the third Tuesday of January, 1963. The terms of the next three members appointed shall expire on the third Tuesday of January, 1965. Their successors and all members of all boards, appointed to succeed members who have served six year terms, shall be appointed for terms of six years from the date of the expiration of the preceding term. Vacancies happening before the expiration of a term shall be filled for the unexpired term.

Five members of any such board shall constitute a quorum.

Each such board shall annually elect a president and vice-president from among its members, and a secretary and treasurer who need not be members of the board. The secretary and treasurer may be the same person.

This section shall apply to:

Board of Trustees of Thaddeus Stevens State School of
Technology,

Board of Trustees of Scranton State School for the Deaf,

Board of Trustees of Scotland School for Veterans' Children,

Board of Trustees of Pennsylvania Soldiers' and Sailors'
Home,

Board of Trustees of State Industrial Home for Women,

Board of Trustees of the Western Youth Development Centers,

Board of Trustees of the Central Youth Development Centers,

Board of Trustees of the Eastern Youth Development Centers,

Board of Trustees of Allentown State Hospital,

Board of Trustees of Clarks Summit State Hospital,

Board of Trustees of Danville State Hospital,

Board of Trustees of Embreeville State Hospital,

Board of Trustees of Farview State Hospital,

Board of Trustees of Harrisburg State Hospital,

Board of Trustees of Hollidaysburg State Hospital,

Board of Trustees of Mayview State Hospital,

Board of Trustees of Norristown State Hospital,

Board of Trustees of Philadelphia State Hospital,

Board of Trustees of Retreat State Hospital,

Board of Trustees of Somerset State Hospital,

Board of Trustees of Warren State Hospital,

Board of Trustees of Wernersville State Hospital,

Board of Trustees of Woodville State Hospital,

Board of Trustees of Torrance State Hospital,

Board of Trustees of Haverford State Hospital,

Board of Trustees of Ashland State General Hospital,

Board of Trustees of Coaldale State General Hospital,

[Board of Trustees of Connellsville State General Hospital,]

Board of Trustees of Dixmont State Hospital,

Board of Trustees of Hazleton State General Hospital,

Board of Trustees of Locust Mountain State General Hospital,

Board of Trustees of Nanticoke State General Hospital,

Board of Trustees of Philipsburg State General Hospital,

Board of Trustees of Scranton State General Hospital,

Board of Trustees of Shamokin State General Hospital,

Board of Trustees of Cresson State School and Hospital,

Board of Trustees of Ebensburg State School and Hospital,

Board of Trustees of Eastern State School and Hospital,

Board of Trustees of Laurelton State School and Hospital,

Board of Trustees of Pennhurst State School and Hospital,

Board of Trustees of Polk State School and Hospital,

Board of Trustees of Selinsgrove State School and Hospital,
 Board of Trustees of Hamburg State School and Hospital,
 Board of Trustees of Western State School and Hospital,
 Board of Trustees of White Haven State School and Hospital,
 Board of Trustees of Eastern Mental Health Center,
 Board of Trustees of the Western Restoration Centers,
 Board of Trustees of the Central Restoration Centers,
 Board of Trustees of the Eastern Restoration Centers.

Section 3. Section 2803-C(b) of the act, added December 14, 1982 (P.L.1213, No.280), is amended to read:

Section 2803-C. Energy Development Authority.—* * *

(b) The authority shall be governed and all of its corporate powers exercised by a board of directors which shall be composed of the following individuals:

(1) Nine members to be appointed by the Governor, one of whom shall be designated as chairman. At least two members shall be members of the general public. The members initially appointed shall serve for terms of two, three and four years, respectively, the particular term of each to be designated by the Governor at the time of appointment. The terms of all of their successors shall be four years each, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Every member's term shall extend until his successor is appointed and qualified. Any appointment of a member of the authority shall be subject to the advice and consent of a majority of all of the members of the Senate. Any appointed member of the authority shall be eligible for reappointment.

(2) The Secretary of Environmental Resources or his designee.

(3) The Secretary of Banking or his designee.

(4) The Secretary of Commerce or his designee.

(5) The Secretary of Agriculture or his designee.

(6) Two members of the Senate, one from the majority party and one from the minority party, to be appointed by the President pro tempore to serve at his pleasure, *or the designees appointed by such members.*

(7) Two members of the House of Representatives, one from the majority party and one from the minority party, to be appointed by the Speaker of the House to serve at his pleasure, *or the designees appointed by such members.*

(8) The Consumer Advocate or his designee.

(9) The Chairman of the Public Utility Commission or his designee.

* * *

Section 4. Conveyance of real property.

The Department of General Services, the Board of Trustees of Connellsville State General Hospital and The General State Authority, with the approval of the Governor and the Department of Public Welfare, are hereby authorized and directed on behalf of the Commonwealth of Pennsylvania to grant and convey to Connellsville Hospital, a nonprofit, nonstock corporation organized and operating in this Commonwealth, the following tracts of land, together with any and all buildings and improvements now or hereafter

erected on or at the property described in this act, including, without limitation, the fixtures, attachments, appliances, equipment machinery and other articles owned by the Commonwealth attached to such buildings and improvements, situate in the City of Connellsville, Fayette County, Pennsylvania, bounded and described as follows:

Tract No.1

Being the same property which The General State Authority by deed dated September 28, 1965, recorded in Deed Book 1018, Page 358, granted unto Andrew DiSanto, John Donald Porter, Paul W. Kendi, Abe I. Daniels, Peter J. Adams, Jr., C.A. Port, Paul B. Daniels, Robert Reese and Robert Laughery, Trustees of the Connellsville State Hospital, now Connellsville State General Hospital, Connellsville, Fayette County, Pennsylvania.

Tract No.2

Being the same property which Meyer Aaron, et al, by deed dated May 5, 1961, recorded in Deed Book 945, Page 855, granted unto The General State Authority.

Tract No.3

Being the same property which Edith L. Coates, et vir, by deed dated September 28, 1979, recorded in Deed Book 1263, Page 1009, granted unto the Board of Trustees of Connellsville State General Hospital.

Tract No.4

All that certain parcel of land situate in Connellsville, Fayette County, Pennsylvania, known and designated as Lot No.11 in the Plan of Lots laid out by John D. Frisbee, the plot of which is recorded in the Office of the Recorder of Deeds in and for Fayette County, Pennsylvania, in Plan Book 1, Page 144, bounded and described as follows:

Lot No.11 fronts 40 feet on the west side of Tenth Street in said plan and extends of even width southwestwardly to a 20-foot alley on which it fronts 40.3 feet bounded on the north by Lot No.10 for 112.1 feet and on the south by Lot No.12 for 106.8 feet.

Being part of the same property which Robert W. Laughery, et al, by deed dated November 17, 1965, and recorded in Deed Book 1022, Page 208, granted unto the Commonwealth of Pennsylvania.

Tract No.5

Being the same property which William B. Fetter, et ux, by deed dated July 31, 1975, recorded in Deed Book 1184, Page 704, granted unto the Board of Trustees, Connellsville State General Hospital.

Tract No.6

Being the same property which Charles X. Stagner, et ux, et al, by deed dated February 12, 1975, recorded in Deed Book 1176, Page 913, granted unto the Board of Trustees of Connellsville State General Hospital.

Tract No.7

Being the same property which Frances L. Reynolds, widow, by deed dated October 30, 1975, recorded in Deed Book 1188, Page 1092, granted unto Commonwealth of Pennsylvania by and through The General State Authority, or its successors.

Tract No.8

Being the same property which Eugene H. Wagner, et ux, by deed dated August 5, 1975, recorded in Deed Book 1184, Page 182, granted unto Commonwealth of Pennsylvania by and through The General State Authority, or its successors.

Tract No.9

Being the same property which Carson Hugh Baker, et al, by deed dated July 2, 1956, recorded in Deed Book 871, Page 151, granted unto the Commonwealth of Pennsylvania.

Tract No.10

Being the same property which John D. Frisbee, et ux, by deed dated June 15, 1889, recorded in Deed Book 92, Page 377, granted to the Commonwealth of Pennsylvania.

Section 5. Additional items of conveyance.

The deed of conveyance shall convey any and all tenements, hereditaments and appurtenances belonging to the property, buildings and improvements described in this act or in any way pertaining thereto, and all streets, alleys, passages, ways, water courses, water rights, and all leasehold estates, easements and covenants now existing or hereafter created for the benefit of the owner or tenant of the property described in this act, and all rights to enforce the maintenance of such property, and all other rights, liberties and privileges of whatsoever kind or character, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law or in equity, of the Commonwealth in and to the property, buildings and improvements described in this act.

Section 6. Legal survey.

Connellsville Hospital shall, at its own cost and expense, perform a legal survey of all the properties authorized to be conveyed by this act. The legal description resulting from the legal survey shall be placed in the deed or deeds of conveyance authorized by this act.

Section 7. Rental charges.

The General Assembly has appropriated funds for payment of rental charges on behalf of Connellsville State General Hospital to The General State Authority to release such property from all liens and encumbrances in favor of The General State Authority in order to complete the transfer of Connellsville State General Hospital to private ownership.

Section 8. Transfer of personal property.

The Department of General Services, the Board of Trustees of Connellsville State General Hospital and The General State Authority, with the approval of the Governor and the Department of Public Welfare, are hereby authorized and directed on behalf of the Commonwealth of Pennsylvania to grant and convey to Connellsville Hospital, a nonprofit, nonstock corporation organized and operating in this Commonwealth, all right, title and interest of the Commonwealth in and to all tangible and intangible personal property of any nature whatsoever owned by the Commonwealth, including, but not limited to, furnishings, equipment, inventories, business records and patient records, attached to, or located in, on or at the property, buildings

and improvements described in section 4, whether or not the personal property is or shall be affixed to any such property, buildings or improvements.

Section 9. Exemption from taxes, fees and costs.

The conveyances authorized under this act shall be exempt from taxes, imposts or other fees and costs to the extent that such taxes, imposts, fees and costs are imposed by any taxing authority.

Section 10. Restrictions of record.

The conveyances described in this act shall be made under and subject to all easements, servitudes and rights of others, including, but not confined to, streets, roadways and rights of any telephone, telegraph, water, electric, sewer, gas or pipeline companies as well as under and subject to interest, estates or tenancies vested in third persons, whether or not appearing of record, for any portion of the land or improvements erected thereon.

Section 11. Approval and execution of deeds.

The deeds of conveyance of the property described in this act shall be approved as provided by law and shall be executed by the President and Assistant Secretary of The General State Authority and by the Secretary of General Services in the name of the Commonwealth of Pennsylvania, and shall be executed by a duly authorized agent of the Board of Trustees of Connellsville State General Hospital, who is hereby authorized and directed to join in such deeds for the purpose of transferring such remaining interest in the properties described in this act and shall be vested as of the time of execution of such deeds in the remaining members of the Board of Trustees of Connellsville State General Hospital.

Section 12. Costs and fees.

Costs and fees incidental to conveyances authorized in this act shall be borne by the grantee.

Section 13. Transfer of control.

As of the date of the conveyances of property authorized by this act, management and legal control of the affairs of Connellsville State General Hospital, including, without limitation, services, administration, personnel and other functions, shall be transferred and vested in Connellsville Hospital, a nonprofit, nonstock corporation, which may exercise by law with respect to Connellsville State General Hospital all of the powers, rights and franchises vested by law in nonprofit, nonstock corporations under the laws of this Commonwealth.

Section 14. Gifts or donations.

Any gift, grant or donation of any kind whatsoever, or any bequest, devise, gift or grant contained in any will or other instrument, in trust or otherwise, made to or for the benefit of Connellsville State General Hospital before or after the conveyances authorized by this act shall inure to the benefit of Connellsville Hospital and may be used by Connellsville Hospital for any purposes that shall be consistent with any conditions, restrictions or limitations imposed by the maker of such gift, grant, donation, bequest or devise.

Section 15. Reversion to Commonwealth.

The deeds of conveyance authorized by this act shall contain clauses that the conveyance of properties shall be expressly conditioned upon compliance by Connellsville Hospital with terms and conditions as follows, and that if, at any time, Connellsville Hospital, or its successor, fails to comply with any of the conditions specified in this section, the title to such property shall immediately revert to and revest in the Commonwealth of Pennsylvania:

(1) Connellsville Hospital shall provide uncompensated care, including indigent care, in reasonable amounts to persons unable to pay the cost thereof, and to the extent financially feasible for Connellsville Hospital.

(2) In the event that unforeseen events require that the hospital presently operated as Connellsville State General Hospital be closed by Connellsville Hospital, Connellsville Hospital shall provide not less than 90 days' notice prior to the proposed date of closing of the hospital to the Department of Public Welfare and shall make good faith efforts to obtain a successor operator for the hospital.

(3) In the event of a sale or other disposition of all or substantially all the properties described in this act at any time within three (3) years of the date of the conveyances authorized by this act for an amount equaling or exceeding fair market value as determined by one or more persons expert in assessing the value of health care institutions, such person or persons to be mutually agreed to by the Department of Public Welfare and Connellsville Hospital, the proceeds of such disposition, after providing for all debts, liabilities and obligations of Connellsville Hospital, shall be paid in proportional amounts to the Commonwealth and to Connellsville Hospital until the total amount of such proceeds paid to the Commonwealth equals \$4,600,000 and only to the extent that such proceeds are not reinvested in or expended for facilities or programs providing services to residents of Connellsville and surrounding communities served by Connellsville State General Hospital. The proportion of such proceeds to be paid to the Commonwealth and Connellsville Hospital respectively shall be determined as of the date of sale by the total amount of capital previously contributed to Connellsville Hospital by the Commonwealth and by Connellsville Hospital respectively. The total amount of capital shall be determined by adding together \$4,600,000 and all capital expended by or on behalf of Connellsville Hospital by Connellsville Hospital or entities related by common ownership or control to Connellsville Hospital, including, without limitation, expenditures for property, buildings, improvements, equipment and contributions of property, buildings, improvements or equipment. The relative percentage of such proceeds to be paid to the Commonwealth shall equal \$4,600,000 divided by such total capital. The relative percentage of such proceeds to be paid to Connellsville Hospital shall equal the total capital contributed by Connellsville Hospital divided by such total capital. All net proceeds shall be paid exclusively to Connellsville Hospital after the total amount of proceeds paid to the Commonwealth equals \$4,600,000. All proceeds paid to the Commonwealth shall be used exclusively for charitable purposes related to the provision and

promotion of health services within this Commonwealth. All proceeds paid to Connellsville Hospital shall be set aside and held by one or more charitable organizations designated by Connellsville Hospital and described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and shall be used exclusively for charitable purposes related to the provision and promotion of health services within this Commonwealth.

(4) In the event of a sale or other disposition of all or substantially all of the properties described in this act at any time three (3) years or more after the date of the conveyances authorized by this act for an amount equalling or exceeding fair market value as determined by one or more persons expert in assessing the value of health care institutions, such person or persons to be mutually agreed to by the Department of Public Welfare and Connellsville Hospital, the proceeds of such disposition, after providing for all debts, liabilities and obligations of Connellsville Hospital, shall be paid to Connellsville Hospital. Not less than one-half of all such proceeds shall be set aside and held by one or more charitable organizations designated by Connellsville Hospital and described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and shall be used exclusively for charitable purposes related to the provision and promotion of health services within Connellsville and surrounding communities served by Connellsville Hospital. The remaining one-half of all such proceeds paid to Connellsville Hospital shall be set aside and held by one or more charitable organizations designated by Connellsville Hospital and described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and shall be used exclusively for charitable purposes related to the provision and promotion of health services within this Commonwealth.

(5) In the event of disposition by Connellsville Hospital of all or substantially all the properties described in this act for less than fair market value as determined by one or more persons expert at assessing the value of health care institutions, such person or persons to be mutually agreed to by the Department of Public Welfare and Connellsville Hospital, Connellsville Hospital shall require any successor, grantee, purchaser or operator of such property to comply with those requirements contained in this section, and such successors shall obtain the agreement of any subsequent successor to conform to the conditions imposed in this section as a condition of transfer of the property described in this act.

Section 16. Transfer of agreements and leases.

All agreements to the extent assignable and leases of every nature of the Commonwealth of Pennsylvania which are used, employed or dispensed in connection with the duties, powers or functions of this Commonwealth relating to Connellsville State General Hospital are hereby transferred to Connellsville Hospital as of the date of the conveyance of the properties described in this act. All moneys received by Connellsville Hospital for services rendered by this Commonwealth at Connellsville State General Hospital prior to the date of the conveyance or conveyances by this act shall be

remitted to the Commonwealth and all accounts payable and liabilities arising from operations prior to the date of conveyance of the properties described in this act shall be paid by the Commonwealth. Nothing contained in this section shall impose upon Connellsville Hospital any obligation, claim, demand or cause of action against the Commonwealth arising out of or in connection with the operation of Connellsville State General Hospital by the Commonwealth. The Commonwealth shall indemnify and hold harmless Connellsville Hospital for all claims, obligations and liabilities whatsoever arising out of the operation of Connellsville State General Hospital by the Commonwealth at any time prior to the conveyance of the properties described in this act.

Section 17. Effective date.

(a) Specific.—Sections 1 and 2 relating to sections 202 and 401 of the act shall take effect upon the conveyance of the property authorized in this act.

(b) General.—The remainder of this act shall take effect July 1, 1985, or immediately, whichever is later.

APPROVED—The 11th day of July, A. D. 1985.

DICK THORNBURGH