

## No. 1991-53

## AN ACT

## HB 2145

Authorizing and directing the conveyance of Shamokin State General Hospital to the Lower Anthracite Community Hospital Corporation for the purpose of operating a hospital on the site.

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

Section 1. Conveyance of real property.

(a) The Department of General Services, the Department of Public Welfare and the Board of Trustees of Shamokin State General Hospital, with the approval of the Governor, are hereby authorized and directed on behalf of the Commonwealth of Pennsylvania to grant and convey, subject to the right of reentry and reversionary interests set forth in this act, to Lower Anthracite Community Hospital Corporation, a nonprofit corporation organized and operating in this Commonwealth, in consideration of the agreement of Lower Anthracite Community Hospital Corporation to use such properties in the operation or support of a hospital or other health care facility in accordance with the conditions set forth in sections 4 and 5, the following tracts of land situate in Coal Township, Northumberland County, together with any and all buildings and improvements now or hereafter located on or at, and used in connection with, the real property described in this act. For the purposes of this act, the term "real property" shall include without limitation such land, buildings and improvements but not limited to fixtures and attachments thereto, which real property is presently utilized in the operation of the Shamokin State General Hospital, bounded and described as follows:

All those certain five parcels of lands with buildings and improvements, if any erected thereon, situate, lying and being in the Commonwealth of Pennsylvania, County of Northumberland, Township of Coal, and described by reference to the recorded instrument as follows:

Tract No. 1

Beginning at a point, said point being the most southeastern corner of property of the Shamokin State Hospital; thence north 06 degrees 225 feet along the east boundary line of said hospital property to a stake, the point of beginning (the above described course and distance is for location purpose only and is not to be considered a part of the tract); thence south 89 degrees 30 minutes west 498.25 feet to a stake; thence 30 minutes west 200 feet to a stake; thence north 89 degrees 30 minutes east 479 feet to a stake in the aforementioned east boundary of the hospital property; thence along said east boundary south 06 degrees 200.92 feet to a stake, the point of beginning.

Containing 2.24 acres, more or less.

Being a part of and wholly contained within the confines of that certain deed from the Philadelphia and Reading Coal and Iron Company to the Commonwealth of Pennsylvania, dated December 18, 1907, and recorded in Northumberland County in Deed Book 147, Page 518; and subsequently conveyed by the Commonwealth of Pennsylvania to The General State Authority by two deeds, dated respectively December 1, 1937, and January 4, 1940, and recorded respectively in Northumberland County in Deed Books 272, Page 101, and 278, Page 583; and later reconveyed by The General State Authority to the Commonwealth of Pennsylvania by deed dated June 15, 1945, and recorded in Northumberland County in Deed Book 303, Page 286.

#### Tract No. 2

Beginning at the most southwestern corner of an existing boiler plant, said point being north 68 degrees 55 minutes east 576 feet from a monument at the most southwestern corner of the Shamokin State Hospital; thence the following courses and distances: along the western face of existing boiler plant and continuing beyond, north 40 minutes east 200 feet to a point; south 89 degrees 20 minutes east 200 feet to a point; south 40 minutes west 200 feet to a point; and north 89 degrees 20 minutes west 200 feet to a point, the place of beginning.

Containing 0.92 acres, more or less, and having erected thereon a combination boiler plant and laundry.

Beginning at a point being the most northwestern corner of above described tract; thence north 89 degrees 20 minutes west 145 feet to a point; thence south 40 minutes west 80 feet to a point; thence south 89 degrees 20 minutes east 145 feet to a point; and thence along western line of above described tract, north 40 minutes east 80 feet to a point, the place of beginning, having erected thereon a brick building known as the "Morgue."

Containing 0.26 acres, more or less, and referred to as Tract "B."

Being a part of and wholly contained within the confines of those two certain deeds from the Philadelphia and Reading Coal and Iron Company to the Commonwealth of Pennsylvania, dated respectively December 18, 1907, and April 1, 1927, and recorded in Northumberland County in Deed Books 147, Page 518, and 241, Page 44; and subsequently conveyed by the Commonwealth of Pennsylvania to The General State Authority by two deeds, dated respectively December 1, 1937, and January 4, 1940, and recorded respectively in Northumberland County in Deed Books 272, Page 101, and 278, Page 583; and later reconveyed by The General State Authority to the Commonwealth of Pennsylvania by deed dated June 15, 1945, and recorded in Northumberland County in Deed Book 303, Page 286.

#### Tract No. 3

Beginning at a point, being the northwest corner of Project No. G.S.A. 539-1; thence along the westerly line of said Project No. G.S.A. 539-1, south 30 minutes east 200 feet to a point, being the southwest corner of said Project No. G.S.A. 539-1; thence along other lands of the Shamokin State Hospital, the following three courses and distances: south 89 degrees 30 minutes west 270 feet to a point; north 30 minutes west 200 feet to a point; north 89 degrees 30 minutes east 270 feet to a point, the place of beginning.

Containing 1.23967 acres.

Being a part of and wholly contained within the confines of that certain deed from the Philadelphia and Reading Coal and Iron Company to the Commonwealth of Pennsylvania, dated December 18, 1907, and recorded in Northumberland County in Deed Book 147, Page 518.

Tract No. 4

Beginning at a point being the northwest corner of Project No. G.S.A. 539-3; thence in and through other lands of the Shamokin State General Hospital, the following four courses and distances: north 30 minutes west 120 feet to a point, north 89 degrees 30 minutes east 107 feet to a point, north 30 minutes west 80 feet to a point, north 89 degrees 30 minutes east 100 feet to a point, being the northwest corner of Tract B of Project No. G.S.A. 539-2; thence along the property line of Tract B of Project No. G.S.A. 539-2, the following two courses and distances: south 30 minutes east 80 feet to a point, north 89 degrees 30 minutes east 145 feet to a point located in the westerly property line of Tract A of Project No. G.S.A. 539-2; south 30 minutes east 120 feet to a point located in the northerly property line of Project No. G.S.A. 539-1; thence partly along said northerly property line of Project No. G.S.A. 539-1, and also along the northerly property line of Project No. G.S.A. 539-3, south 89 degrees 30 minutes west 352 feet to a point, the place of beginning.

Containing 1.15 acres.

Being a part of and wholly contained within the confines of the two tracts of land both conveyed by the Philadelphia and Reading Coal and Iron Company to the Commonwealth of Pennsylvania and both recorded in Northumberland County as follows: (1) by deed dated December 18, 1907, and recorded in Deed Book 147, Page 518; (2) by deed dated April 1, 1927, and recorded in Deed Book 241, Page 44.

Tract No. 5

The point of beginning is located south 31 degrees east a distance of 22 feet from the southeast corner of the central section of the existing main hospital building, thence by the following courses and distances: north 59 degrees east for a distance of 105 feet to a point on the west side of East Drive; thence along same side and in a southeasterly direction for a distance of 290 feet, more or less, to a point, said point also being the intersection of the west side of East Drive and the north side of South Drive; thence along the above mentioned north side, south 82 degrees west for a distance of 310 feet to a point; thence north 31 degrees west a distance of 88 feet to a point on lands previously acquired by The General State Authority; thence north 59 degrees east a distance of 207 feet to the place of beginning.

Containing 0.79 acres, more or less.

(b) The documents of conveyance shall convey any and all tenements, hereditaments and appurtenances belonging to the real property, or in any way pertaining thereto, and all streets, alleys, passages, ways, watercourses, water rights, and all leasehold estates, easements and covenants now existing or hereafter created for the benefit of the owner or tenant of the real property, and all rights to enforce the maintenance of such real 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 real property.

(c) The conveyance 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 interests, estates or tenancies vested in third persons, for any portion of the real property.

### Section 2. Conveyances of other interests.

The Department of General Services, the Department of Public Welfare and the Board of Trustees of Shamokin State General Hospital, with the approval of the Governor, are hereby authorized and directed on behalf of the Commonwealth of Pennsylvania to grant and convey, subject to the rights of reentry and reversionary interest set forth in this act, to Lower Anthracite Community Hospital Corporation, in consideration of the agreement of Lower Anthracite Community Hospital Corporation to use such property in the operation or support of the hospital or other health care facility in accordance with such conditions contained in sections 4 and 5, 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, presently utilized in the operation of Shamokin State General Hospital, including, but not limited to, furnishings, equipment, vehicles, inventories, business records and patient records, attached to or located in, on or at the real property, (including, but not limited to, drugs, biological, medical, surgical, radiological, laboratory and office inventories and supplies), all rights and interests under leases and other agreements, written or otherwise, including all licenses, certificates of need, permits, consents, and approvals necessary or desirable for the operation of Shamokin State General Hospital and to the extent assignable, whether or not such personal property is or shall be affixed to the real property, as well as all accounts receivable (collectively the "personal property").

### Section 3. Miscellaneous provisions.

(a) 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 the Commonwealth or by any county or local taxing authority.

(b) The documents of conveyance of the real and personal property shall be approved as provided by law and shall be executed 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 Shamokin State General Hospital who is hereby authorized and directed to join in such documents for the purpose of transferring such remaining interest in the real and personal properties as shall be vested as of the time of execution of such documents of conveyance in the remaining members of the Board of Trustees of Shamokin State General Hospital.

(c) As of the date of the conveyance of the real and personal property, management and legal control of the affairs of Shamokin State General Hospital, including, but not limited to, services, administration, personnel and other functions, shall be transferred and vested in Lower Anthracite Community Hospital Corporation. Upon the conveyance, Lower Anthracite Community Hospital Corporation may exercise by law with respect to Shamokin State General Hospital all of the powers, rights and franchises vested by law in nonprofit corporations under the laws of the Commonwealth.

(d) 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 Shamokin State General Hospital, whether before or after the conveyances authorized by this act, shall inure to the benefit of Lower Anthracite Community Hospital Corporation and may be used by Lower Anthracite Community Hospital Corporation 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.

(e) All agencies of the Commonwealth of Pennsylvania are directed to transfer to Lower Anthracite Community Hospital Corporation, as of the date of the conveyance of the properties, all interests in agreements to the extent assignable, including leases of every nature which are used, employed or dispensed in connection with Shamokin State General Hospital.

(f) The Commonwealth is responsible for all eligible legal liabilities in accordance with the principles set forth in 42 Pa.C.S. Ch. 85 Subch. B (relating to actions against Commonwealth parties), including accounts payable accruing from its ownership of the hospital, except for liability accruing from physical conditions or defects in the real property existing prior to the conveyance, which a reasonable inspection could have disclosed or as to which Lower Anthracite Community Hospital Corporation has expressly agreed to assume responsibility for in the documents of conveyance.

#### Section 4. Conditions.

The documents of conveyance shall provide expressly that the conveyance of real and personal property shall be conditioned upon compliance by Lower Anthracite Community Hospital Corporation for a period of five years from the date of conveyance with the following terms and conditions:

(1) Lower Anthracite Community Hospital Corporation shall comply with the applicable provisions of Federal and State law respecting its qualification for tax exemption and its obligations to furnish charity care services to persons unable to pay therefor.

(2) The bylaws of the Lower Anthracite Community Hospital Corporation shall require that none of its directors shall serve more than two full consecutive terms of three years as a director and that no director shall serve more than eight consecutive years as a director, including shortened terms as an initial director or to fill a vacancy. Any director serving such consecutive years or terms shall be ineligible to serve as a director until at least one year following the expiration of such director's most recent term of service.

(3) The bylaws of Lower Anthracite Community Hospital Corporation shall include a procedure for receiving suggestions from the communities presently served by Shamokin State General Hospital concerning the continuing composition of the Board of Directors of Lower Anthracite Community Hospital Corporation. Such procedure shall be designed and utilized in a manner consistent with the objectives of insuring that the future operations of the facilities presently operated as Shamokin State General Hospital and the composition of the Board of Directors of Lower Anthracite Community Hospital Corporation shall reflect a broad cross section of the views and interests of the communities served by Shamokin State General Hospital.

(4) The bylaws of Lower Anthracite Community Hospital Corporation shall require that its board of directors be comprised of at least 11 directors.

(5) Lower Anthracite Community Hospital Corporation shall comply with the applicable provisions of Federal and State law respecting its qualification for tax exemption and the prohibition against any part of its net earnings inuring to the benefit of private individuals, including, without limitation, its directors, officers, employees or members of their immediate families.

(6) Lower Anthracite Community Hospital Corporation shall comply with the applicable provisions of Federal and State law respecting its qualification as a nonprofit corporation and its operation of a hospital or other health care facility, and regarding transactions in which any director, officer, employee or a member of their immediate families may derive a material financial interest. Lower Anthracite Community Hospital Corporation's bylaws shall provide for a procedure requiring the disclosure and monitoring of such interests and transactions to ensure such compliance.

(7) The documents of conveyance shall require Lower Anthracite Community Hospital Corporation to comply with the conditions in this section for a period of five years. If Lower Anthracite Community Hospital Corporation fails to comply with the conditions in this section, the Secretary of the Department of Public Welfare shall notify Lower Anthracite Community Hospital Corporation in writing, specifying the noncompliance, and Lower Anthracite Community Hospital Corporation shall have 60 days to cure the noncompliance. If the noncompliance is not cured within 60 days, the Commonwealth may exercise a right of reentry as provided in the documents of conveyance. In the absence of a notice of noncompliance or the exercise of the right of reentry, Lower Anthracite Community Hospital Corporation shall be deemed to be in compliance with the conditions contained in this section.

#### Section 5. Reversion to Commonwealth.

(a) The documents of conveyance shall provide that Lower Anthracite Community Hospital Corporation shall use the real and personal property in the operation or support of a hospital or other health care facility located on the tract of land conveyed pursuant to section 1 for a period of five years from the date of conveyance. If, at any time during this period, Lower

Anthracite Community Hospital Corporation fails to so use the real and personal property, the title shall immediately revert to and revest in the Commonwealth. This condition shall be interpreted to promote the purpose of this act. It is not intended to prevent modifications from the current use which further this purpose. In the event Lower Anthracite Community Hospital Corporation proposes to use any portion of the real or personal property for uses that are not substantially in support of the hospital or health care facility, Lower Anthracite Community Hospital Corporation shall notify the Secretary of Public Welfare in writing of such use, and the secretary shall determine whether this furthers the purpose of this act.

(b) If within five years from the date of the conveyance Lower Anthracite Community Hospital Corporation proposes to convey all or a substantial portion of the hospital facilities presently operated as Shamokin State General Hospital or if unforeseen events require that all or a substantial portion of the hospital facilities presently operated as Shamokin State General Hospital be closed by Lower Anthracite Community Hospital Corporation, Lower Anthracite Community Hospital Corporation shall provide not less than 120 days' written notice prior to the proposed date of closing or conveyance to the Department of Public Welfare, the President pro tempore of the Senate and the Speaker of the House of Representatives and shall make good faith efforts to obtain a successor owner and operator for the hospital facilities acceptable to the Department of Public Welfare.

(c) The Department of Public Welfare shall have the authority to disapprove such successor owner and operator by written notice provided to Lower Anthracite Community Hospital Corporation not more than 60 days after the giving of such notice of disposition by Lower Anthracite Community Hospital Corporation, in which case such conveyance shall not occur or shall be null or void. In the event that Lower Anthracite Community Hospital Corporation is unsuccessful in identifying a successor owner and operator or in the event that the successor is unacceptable, the Department of Public Welfare shall be authorized to designate a successor owner and operator to whom Lower Anthracite Community Hospital Corporation shall transfer the properties described in this act within 30 days of written designation of such successor owner and operator being provided to Lower Anthracite Community Hospital Corporation by the Department of Public Welfare prior to the proposed date of closing.

(d) If, at any time during the five-year period from the date of conveyance, Lower Anthracite Community Hospital Corporation proposes to convey or to close all or a substantial portion of the hospital facilities pursuant to this section and is:

(1) unsuccessful in identifying a successor owner and operator for the hospital facilities; or

(2) designates a successor owner and operator which is disapproved by the Secretary of Public Welfare, the title to the property shall immediately revert to and revest in the Commonwealth.

**Section 6. Subordination of rights and suspension of reverter.**

(a) Nothing in this act shall preclude the Commonwealth from subordinating its right of reentry in section 4 or its right of reverter in section 5 to liens securing indebtedness incurred by Lower Anthracite Community Hospital Corporation in connection with the uses prescribed in section 5(a).

(b) The Commonwealth shall suspend the automatic reverter contained in section 5(a), for a period of up to 60 days from receipt of notice specifying the violation from the Secretary of Public Welfare, to permit a lender to cure or cause the cure of a violation of section 5(a) if the suspension is required to secure financing for Lower Anthracite Community Hospital Corporation.

**Section 7. Repeals.**

The following acts and parts of acts are repealed insofar as they are inconsistent with this act:

Act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

Act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code.

**Section 8. Effective date.**

This act shall take effect immediately.

APPROVED—The 20th day of December, A. D. 1991.

ROBERT P. CASEY