

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 144

Session of
1985

INTRODUCED BY AFFLERBACH, IRVIS, COY, PRATT, BATTISTO, DeWEESE,
FISCHER, GREENWOOD, KOSINSKI, HALUSKA, OLIVER, PRESSMANN,
MORRIS, McHALE, FREEMAN AND LINTON, JANUARY 30, 1985

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, NOVEMBER 19, 1986

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," PROVIDING FOR THE TRANSFER <—
21 OF PHILIPSBURG STATE GENERAL HOSPITAL; requiring the filing
22 of additional materials on contracts with corporations; <—
23 PROVIDING FOR REPORTING IN CONFORMITY WITH GENERALLY ACCEPTED
24 ACCOUNTING PRINCIPLES; FURTHER PROVIDING FOR THE PAYMENT OF
25 GRATUITIES TO CHILDREN OF CERTAIN VETERANS; FURTHER PROVIDING
26 FOR THE SALE OF CERTAIN UNIMPROVED LAND BY THE DEPARTMENT OF
27 TRANSPORTATION; ~~AND~~ CONVERTING STATE HEATING SYSTEMS TO THE <—
28 USE OF COAL WHICH HAS BEEN PRODUCED IN PENNSYLVANIA; AND <—
29 AUTHORIZING CONVEYANCE OF STATE-OWNED LAND.

30 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 SECTION 1. AS MUCH OF SECTION 202 AS RELATES TO THE BOARD OF <—
3 TRUSTEES OF PHILIPSBURG STATE GENERAL HOSPITAL IN THE DEPARTMENT
4 OF PUBLIC WELFARE OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175),
5 KNOWN AS THE ADMINISTRATIVE CODE OF 1929, IS REPEALED.

6 SECTION 2. SECTION 401 OF THE ACT, AMENDED JULY 9, 1986
7 (P.L.547, NO.97), IS AMENDED TO READ:

8 SECTION 401. BOARDS OF TRUSTEES OF STATE INSTITUTIONS.--THE
9 BOARDS OF TRUSTEES OF EACH OF THE STATE INSTITUTIONS HEREINAFTER
10 MENTIONED SHALL CONSIST OF NINE MEMBERS, AND THE HEAD OF THE
11 DEPARTMENT HAVING SUPERVISION OVER THE INSTITUTION EX OFFICIO.

12 THE TERMS OF EACH MEMBER OF EACH SUCH BOARD SHALL BE SIX
13 YEARS, AND UNTIL HIS SUCCESSOR IS APPOINTED AND QUALIFIED.

14 ALL MEMBERS OF ALL BOARDS, APPOINTED TO SUCCEED MEMBERS WHO
15 HAVE SERVED SIX YEAR TERMS, SHALL BE APPOINTED FOR TERMS OF SIX
16 YEARS FROM THE DATE OF THE EXPIRATION OF THE PRECEDING TERM.
17 VACANCIES HAPPENING BEFORE THE EXPIRATION OF A TERM SHALL BE
18 FILLED FOR THE UNEXPIRED TERM.

19 FIVE MEMBERS OF ANY SUCH BOARD SHALL CONSTITUTE A QUORUM.

20 EACH SUCH BOARD SHALL ANNUALLY ELECT A PRESIDENT AND VICE-
21 PRESIDENT FROM AMONG ITS MEMBERS, AND A SECRETARY AND TREASURER
22 WHO NEED NOT BE MEMBERS OF THE BOARD. THE SECRETARY AND
23 TREASURER MAY BE THE SAME PERSON.

24 THIS SECTION SHALL APPLY TO:

25 BOARD OF TRUSTEES OF THADDEUS STEVENS STATE SCHOOL OF
26 TECHNOLOGY,

27 BOARD OF TRUSTEES OF SCRANTON STATE SCHOOL FOR THE DEAF,

28 BOARD OF TRUSTEES OF SCOTLAND SCHOOL FOR VETERANS' CHILDREN,

29 BOARD OF TRUSTEES OF PENNSYLVANIA SOLDIERS' AND SAILORS'

30 HOME,

1 BOARD OF TRUSTEES OF STATE INDUSTRIAL HOME FOR WOMEN,
2 BOARD OF TRUSTEES OF THE WESTERN YOUTH DEVELOPMENT CENTERS,
3 BOARD OF TRUSTEES OF THE CENTRAL YOUTH DEVELOPMENT CENTERS,
4 BOARD OF TRUSTEES OF THE EASTERN YOUTH DEVELOPMENT CENTERS,
5 BOARD OF TRUSTEES OF ALLENTOWN STATE HOSPITAL,
6 BOARD OF TRUSTEES OF CLARKS SUMMIT STATE HOSPITAL,
7 BOARD OF TRUSTEES OF DANVILLE STATE HOSPITAL,
8 BOARD OF TRUSTEES OF EMBREEVILLE CENTER,
9 BOARD OF TRUSTEES OF FARVIEW STATE HOSPITAL,
10 BOARD OF TRUSTEES OF HARRISBURG STATE HOSPITAL,
11 BOARD OF TRUSTEES OF MAYVIEW STATE HOSPITAL,
12 BOARD OF TRUSTEES OF NORRISTOWN STATE HOSPITAL,
13 BOARD OF TRUSTEES OF PHILADELPHIA STATE HOSPITAL,
14 BOARD OF TRUSTEES OF SOMERSET STATE HOSPITAL,
15 BOARD OF TRUSTEES OF WARREN STATE HOSPITAL,
16 BOARD OF TRUSTEES OF WERNERSVILLE STATE HOSPITAL,
17 BOARD OF TRUSTEES OF WOODVILLE STATE HOSPITAL,
18 BOARD OF TRUSTEES OF TORRANCE STATE HOSPITAL,
19 BOARD OF TRUSTEES OF HAVERFORD STATE HOSPITAL,
20 [BOARD OF TRUSTEES OF ASHLAND STATE GENERAL HOSPITAL,]
21 BOARD OF TRUSTEES OF COALDALE STATE GENERAL HOSPITAL,
22 BOARD OF TRUSTEES OF NANTICOKE STATE GENERAL HOSPITAL,
23 [BOARD OF TRUSTEES OF PHILIPSBURG STATE GENERAL HOSPITAL,]
24 BOARD OF TRUSTEES OF SCRANTON STATE GENERAL HOSPITAL,
25 BOARD OF TRUSTEES OF SHAMOKIN STATE GENERAL HOSPITAL,
26 BOARD OF TRUSTEES OF EBENSBURG CENTER,
27 BOARD OF TRUSTEES OF EASTERN STATE SCHOOL AND HOSPITAL,
28 BOARD OF TRUSTEES OF LAURELTON CENTER,
29 BOARD OF TRUSTEES OF PENNHURST CENTER,
30 BOARD OF TRUSTEES OF POLK CENTER,

1 BOARD OF TRUSTEES OF SELINSGROVE CENTER,
2 BOARD OF TRUSTEES OF HAMBURG CENTER,
3 BOARD OF TRUSTEES OF WESTERN CENTER,
4 BOARD OF TRUSTEES OF WHITE HAVEN CENTER,
5 BOARD OF TRUSTEES OF WOODHAVEN CENTER,
6 BOARD OF TRUSTEES OF THE SOUTH MOUNTAIN RESTORATION CENTERS.

7 SECTION ~~±~~ 3. SECTION 617 OF THE ACT, ~~OF APRIL 9, 1929~~ <—
8 ~~(P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,~~
9 ADDED SEPTEMBER 27, 1978 (P.L.775, NO.149), IS AMENDED TO READ:

10 SECTION 617. FISCAL PERIOD.--(A) ALL BOOKS AND ACCOUNTS
11 KEPT BY THE AUDITOR GENERAL, THE STATE TREASURER AND THE
12 ATTORNEY GENERAL AND EVERY DEPARTMENT, BOARD AND COMMISSION
13 SHALL BE KEPT AS OF THE FISCAL YEAR OR PERIOD AND SHALL PROVIDE
14 FOR REPORTING IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING
15 PRINCIPLES. THE FISCAL YEAR SHALL BE THE PERIOD BEGINNING ON
16 JULY 1 OF EACH CALENDAR YEAR AND ENDING ON JUNE 30 OF THE
17 CALENDAR YEAR NEXT SUCCEEDING.

18 (B) THE AUDITOR GENERAL AND THE DEPARTMENT OF THE AUDITOR
19 GENERAL SHALL SUBMIT TO ANY ACCOUNTANTS APPOINTED BY THE
20 GOVERNOR FOR THE PURPOSE OF MAKING AN AUDIT OF THE AFFAIRS OF
21 THE AUDITOR GENERAL AND THE DEPARTMENT OF THE AUDITOR GENERAL
22 ALL BOOKS, PAPERS AND RECORDS IN ANY WAY PERTAINING TO SUCH
23 AFFAIRS.

24 Section ~~1-2~~ 4. Section 1104 of the act, ~~of April 9, 1929~~ <—
25 ~~(P.L.177, No.175), known as The Administrative Code of 1929,~~
26 added December 9, 1980 (P.L.1333, No.244), is amended to read:

27 Section 1104. Copies of Contracts to be Furnished to the
28 State Treasurer.--(a) Whenever any department, board,
29 commission, agency, instrumentality, authority or institution of
30 the Commonwealth shall enter into any contract involving any

1 property, real, personal or mixed of any kind or description or
2 any contract for personal services where the consideration
3 involved in said contract is five thousand dollars (\$5,000) or
4 more, a copy of said contract shall be furnished by the
5 contracting agency to the Treasury Department [within ten (10)
6 days after the contract is executed on behalf of the
7 Commonwealth or otherwise becomes an obligation of the
8 Commonwealth]. If the contract has been executed with a
9 corporation, it shall include an attachment specifying the names
10 of the corporation's chairman of the board, chief executive
11 officer, treasurer and those individuals who held more than ten
12 per centum (10%) of the corporation's preferred or common stock
13 on the date the contract was executed.

14 (b) Every contract filed pursuant to subsection (a) shall
15 remain on file with the Treasury Department for a period of [one <—
16 year] FIVE YEARS or until all disbursements have been made on <—
17 the contracts, whichever is longer and shall be made available
18 for public inspection and copies made available at cost to any
19 individual who requests them.

20 (c) No contract subject to subsection (a) shall be issued by
21 any department, board, commission, agency, instrumentality,
22 authority or institution of the Commonwealth unless a copy of
23 the contract has been filed by the contracting agency with the
24 Treasury Department. The contract documents and the notice to
25 proceed shall include a statement from the Treasury Department
26 acknowledging receipt of a copy of the contract.

27 ~~Section 2. This act shall take effect immediately.~~ <—

28 SECTION 3 5. SECTION 1411(E) OF THE ACT, ADDED DECEMBER 30, <—
29 1959 (P.L.2082, NO.767), IS AMENDED TO READ:

30 SECTION 1411. STATE VETERANS' COMMISSION.--THE STATE

VETERANS' COMMISSION SHALL HAVE THE POWER, AND ITS DUTY SHALL
BE:

* * *

(E) TO CERTIFY FOR PAYMENT GRATUITIES FOR THE CHILDREN,
BETWEEN THE AGES OF SIXTEEN AND [TWENTY-ONE YEARS, OF TOTALLY
DISABLED VETERANS AND OF SOLDIERS, MARINES, FEMALE CLERKS,
YEOMAN (FEMALE), OR MEMBERS OF THE ENLISTED NURSE CORPS OF THE
UNITED STATES, WHO DIE OR HAVE DIED OF SPANISH-AMERICAN WAR OR
WORLD WAR I. SERVICE CONNECTED DISABILITIES, AND OF TOTALLY
DISABLED VETERANS AND OF MEMBERS OF THE ARMED FORCES OF THE
UNITED STATES AND OF WOMEN'S ORGANIZATIONS OFFICIALLY CONNECTED
THEREWITH, WHO DIE OR HAVE DIED OF WORLD WAR II., OR THE ARMED
CONFLICT IN KOREA SERVICE CONNECTED DISABILITIES AS CERTIFIED
FROM VETERANS ADMINISTRATION RECORDS] TWENTY-THREE YEARS, OF
HONORABLY DISCHARGED VETERANS WHO HAVE BEEN CERTIFIED BY THE
UNITED STATES VETERANS' ADMINISTRATION AS HAVING WAR-TIME
SERVICE-CONNECTED DISABILITIES, OR PEACE-TIME COMBAT-RELATED
DISABILITIES AS DEFINED BY THE PENNSYLVANIA DEPARTMENT OF
MILITARY AFFAIRS, RATED AS TOTALLY AND PERMANENTLY DISABLED OR
WHO HAVE DIED OF WAR SERVICE-CONNECTED DISABILITIES, OR WHO HAVE
DIED OF PEACE-TIME COMBAT-RELATED DISABILITIES. THE DEPARTMENT
OF MILITARY AFFAIRS SHALL, BY REGULATION, ESTABLISH CRITERIA TO
DETERMINE ELIGIBILITY BASED ON PARTICIPATION IN A PEACE-TIME
COMBAT-RELATED SITUATION, WHICH SHALL INCLUDE, BUT NOT BE
LIMITED TO, HOSTILE FIRE OR TERRORIST ATTACK. SUCH CHILDREN MUST
HAVE LIVED IN THE COMMONWEALTH OF PENNSYLVANIA FOR FIVE YEARS
IMMEDIATELY PRECEDING THE DATE UPON WHICH THE APPLICATION WAS
FILED. CERTIFICATION BY THE STATE VETERANS' COMMISSION SHALL BE
MADE WHEN THE CHILDREN MEET THE FOLLOWING REQUIREMENTS:

(1) AS COMING WITHIN THE CLASS OF CHILDREN DESCRIBED ABOVE,

(2) AS ATTENDING ANY STATE OR STATE-AIDED EDUCATIONAL OR TRAINING INSTITUTION OF A SECONDARY OR COLLEGE GRADE OR OTHER INSTITUTION OF HIGHER EDUCATION, BUSINESS SCHOOL, TRADE SCHOOL, HOSPITAL PROVIDING TRAINING FOR NURSES SCHOOL, OR INSTITUTION PROVIDING COURSES IN BEAUTY CULTURE, ART, RADIO OR UNDERTAKING OR EMBALMING OR SUCH OTHER EDUCATIONAL TRAINING WITHIN THIS COMMONWEALTH AS APPROVED BY THE STATE VETERANS' COMMISSION, AND

(3) AS BEING UNABLE, WITHOUT SUCH GRATUITY, TO PURSUE HIS OR HER EDUCATION OR TRAINING.

PAYMENTS NOT EXCEEDING [TWO HUNDRED DOLLARS (\$200)] FIVE HUNDRED DOLLARS (\$500) PER TERM OR SEMESTER PER CHILD SHALL BE MADE TO SUCH INSTITUTION UPON THE SUBMISSION BY THEM OF PROOF THAT THE APPLICANT IS A FULL-TIME STUDENT AND THAT BILLS HAVE BEEN INCURRED OR CONTRACTED FOR MATRICULATION FEES AND OTHER NECESSARY FEES, TUITION, BOARD, ROOM RENT, BOOKS AND SUPPLIES FOR SUCH CHILDREN IN A DEFINITE AMOUNT FOR THE SCHOOL YEAR. SUCH PROOF SHALL BE SUBMITTED TO THE STATE VETERANS' COMMISSION WHICH SHALL ATTACH THE SAME TO THE REQUISITIONS PREPARED FOR PAYMENTS OUT OF APPROPRIATIONS MADE FOR SUCH PURPOSE: PROVIDED, HOWEVER, THAT PAYMENTS PER TERM OR SEMESTER PER CHILD ARE ADJUSTED SO THAT TOTAL PAYMENTS TO SUCH INSTITUTIONS DO NOT EXCEED THE AMOUNT OF THE APPROPRIATION.

WHEN A CHILD WITHIN THE CLASS OF CHILDREN ELIGIBLE TO RECEIVE A GRATUITY AUTHORIZED BY THIS SECTION IS COMPLETING AN EDUCATIONAL OR TRAINING COURSE, AND BECOMES [TWENTY-ONE] TWENTY-THREE YEARS OF AGE BEFORE COMPLETING THE COURSE, THE GRATUITY MAY BE PAID UNTIL THE COURSE IS COMPLETED: PROVIDED, THAT GRATUITIES MAY NOT BE PAID FOR ANY CHILD FOR A LONGER PERIOD THAN FOUR SCHOLASTIC YEARS AND/OR AFTER HAVING ATTAINED HIS OR HER TWENTY-SEVENTH BIRTHDAY.

1 SECTION 4 6. SECTION 2003(E)(7) OF THE ACT, AMENDED DECEMBER <—
2 7, 1979 (P.L.478, NO.100), IS AMENDED TO READ:

3 SECTION 2003. MACHINERY, EQUIPMENT, LANDS AND BUILDINGS.--
4 THE DEPARTMENT OF TRANSPORTATION IN ACCORD WITH APPROPRIATIONS
5 MADE BY THE GENERAL ASSEMBLY, AND GRANTS OF FUNDS FROM FEDERAL,
6 STATE, REGIONAL, LOCAL OR PRIVATE AGENCIES, SHALL HAVE THE
7 POWER, AND ITS DUTY SHALL BE:

8 * * *

9 (E) * * *

10 (7) ANY OTHER PROVISIONS OF THIS ACT TO THE CONTRARY
11 NOTWITHSTANDING, THE DEPARTMENT MAY SELL AT PUBLIC SALE ANY LAND
12 ACQUIRED BY THE DEPARTMENT IF THE SECRETARY DETERMINES THAT THE
13 LAND IS NOT NEEDED FOR PRESENT OR FUTURE TRANSPORTATION
14 PURPOSES:

15 (I) IMPROVED LAND OCCUPIED BY A TENANT OF THE DEPARTMENT
16 SHALL FIRST BE OFFERED TO THE TENANT AT ITS FAIR MARKET VALUE AS
17 DETERMINED BY THE DEPARTMENT, EXCEPT THAT IF THE TENANT IS THE
18 PERSON FROM WHOM THE DEPARTMENT ACQUIRED THE LAND, IT SHALL BE
19 OFFERED TO THE TENANT AT THE ACQUISITION PRICE, LESS COSTS,
20 EXPENSES AND REASONABLE ATTORNEYS' FEES INCURRED BY THE PERSON
21 AS A RESULT OF THE ACQUISITION OF THE LAND BY THE DEPARTMENT. IF
22 THERE IS NO TENANT AND THE PERSON FROM WHOM THE DEPARTMENT
23 ACQUIRED THE LAND DID NOT RECEIVE A REPLACEMENT HOUSING PAYMENT
24 UNDER SECTION 602-A OF THE "EMINENT DOMAIN CODE," OR UNDER
25 FORMER SECTION 304.3 OF THE ACT OF JUNE 1, 1945 (P.L.1242,
26 NO.428), KNOWN AS THE "STATE HIGHWAY LAW," THE LAND TO BE SOLD
27 SHALL FIRST BE OFFERED TO SUCH PERSON AT THE ACQUISITION PRICE,
28 LESS COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES INCURRED BY
29 THE PERSON AS A RESULT OF THE ACQUISITION OF THE LAND BY THE
30 DEPARTMENT.

1 (II) UNIMPROVED LAND SHALL FIRST BE OFFERED TO THE PERSON
2 FROM WHOM IT WAS ACQUIRED AT ITS ACQUISITION PRICE, LESS COSTS,
3 EXPENSES AND REASONABLE ATTORNEYS' FEES INCURRED BY THE PERSON
4 AS A RESULT OF THE ACQUISITION OF THE LAND BY THE DEPARTMENT, IF
5 THE PERSON STILL RETAINS TITLE TO LAND ABUTTING THE LAND TO BE
6 SOLD. IF THE LAND ABUTTING THE LAND TO BE SOLD HAS BEEN CONVEYED
7 TO ANOTHER PERSON, THE LAND TO BE SOLD SHALL FIRST BE OFFERED TO
8 THAT PERSON AT ITS FAIR MARKET VALUE AS DETERMINED BY THE
9 DEPARTMENT. HOWEVER, LAND ACQUIRED BY GIFT THAT THE SECRETARY
10 DETERMINES IS NOT NEEDED FOR PRESENT OR FUTURE TRANSPORTATION
11 PURPOSES MAY FIRST BE OFFERED TO THE DONOR FOR A NOMINAL
12 CONSIDERATION. IF THE DONOR NO LONGER EXISTS, OR IF THE DONOR
13 DOES NOT ACCEPT THE OFFER, THEN SUCH UNIMPROVED LAND OR ANY
14 PORTION THEREOF MAY BE OFFERED ON A COMPETITIVE BID BASIS
15 RESTRICTED TO OWNERS OF LAND ABUTTING THE UNIMPROVED DONATED
16 LAND. THE DEPARTMENT SHALL HAVE DISCRETION TO DIVIDE SUCH
17 DONATED UNIMPROVED LAND FOR SEPARATE COMPETITIVE BID OFFERINGS.

18 (III) NOTICE OF THE OFFER DESCRIBED IN EITHER SUBCLAUSE (I)
19 OR (II) SHALL BE SENT BY CERTIFIED MAIL, OR, IF NOTICE CANNOT BE
20 SO MADE, IN THE MANNER REQUIRED FOR "IN REM" PROCEEDINGS. THE
21 OFFEREE SHALL HAVE ONE HUNDRED TWENTY (120) DAYS AFTER RECEIPT
22 OF NOTICE TO ACCEPT THE OFFER IN WRITING.

23 (IV) REVENUE FROM ANY SALE OF LAND ACQUIRED WITH MOTOR
24 LICENSE FUNDS SHALL BE DEPOSITED IN THE MOTOR LICENSE FUND.

25 * * *

26 SECTION 5 7. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—
27 SECTION 2402.1. SPECIAL POWER; STATE BUILDINGS.--(A) ANY
28 HEATING SYSTEM OR HEATING UNIT INSTALLED IN A FACILITY OWNED BY
29 THE STATE OR BY A STATE-RELATED UNIVERSITY ON OR AFTER THE
30 EFFECTIVE DATE OF THIS ACT SHALL BE FUELED BY COAL.

1 (B) ANY HEATING SYSTEM SHALL BE EXEMPT FROM THE REQUIREMENT
2 OF SUBSECTION (A) IF THE DEPARTMENT OF GENERAL SERVICES
3 DETERMINES THAT THE APPLICATION OF SUBSECTION (A) TO THAT
4 HEATING SYSTEM OR HEATING UNIT WOULD VIOLATE EXISTING OR
5 REASONABLY ANTICIPATED ENVIRONMENTAL LAWS OR REGULATIONS OR
6 WOULD NOT BE COST EFFECTIVE WHEN COMPARED TO OTHER FORMS OF
7 ENERGY. THE DEPARTMENT SHALL REPORT TO THE SENATE COMMITTEE ON
8 ENVIRONMENTAL RESOURCES AND ENERGY AND THE HOUSE COMMITTEE ON
9 MINES AND ENERGY MANAGEMENT OR THEIR SUCCESSOR COMMITTEES, THE
10 BASIS FOR ANY DETERMINATION THAT A HEATING SYSTEM OR HEATING
11 UNIT SHALL BE EXEMPT FROM THE REQUIREMENT OF SUBSECTION (A).
12 COGENERATION SYSTEMS USING NATURAL GAS SHALL BE EXEMPT FROM THE
13 REQUIREMENT OF SUBSECTION (A) IF THE SYSTEMS ARE IN OR BEYOND
14 THE DESIGN STAGE PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.

15 (C) FOR THE PURPOSES OF THIS SECTION "COAL" MEANS COAL
16 PRODUCED FROM MINES IN PENNSYLVANIA OR ANY MIXTURE OR SYNTHETIC
17 DERIVED, IN WHOLE OR IN PART, FROM COAL PRODUCED FROM MINES IN
18 PENNSYLVANIA.

19 (D) FOR THE PURPOSES OF THIS SECTION THE PHRASE "MIXTURE
20 DERIVED, IN WHOLE OR IN PART, FROM COAL" INCLUDES, BUT IS NOT
21 LIMITED TO, BOTH THE INTERMITTENT AND THE SIMULTANEOUS BURNING
22 OF NATURAL GAS WITH COAL OR A COAL DERIVATIVE IF THE
23 INTERMITTENT OR SIMULTANEOUS BURNING OF NATURAL GAS WOULD:

24 (1) LOWER THE COST OF USING COAL OR A COAL DERIVATIVE
25 PRODUCED FROM MINES IN PENNSYLVANIA; OR

26 (2) ENABLE COAL OR A COAL DERIVATIVE PRODUCED FROM MINES IN
27 PENNSYLVANIA TO BE BURNED IN COMPLIANCE WITH PRESENT AND
28 REASONABLY ANTICIPATED ENVIRONMENTAL LAWS AND REGULATIONS.

29 SECTION 8. THE DEPARTMENT OF GENERAL SERVICES, THE BOARD OF
30 TRUSTEES OF PHILIPSBURG STATE GENERAL HOSPITAL AND THE GENERAL

<—

1 STATE AUTHORITY, WITH THE APPROVAL OF THE GOVERNOR AND THE
2 DEPARTMENT OF PUBLIC WELFARE, ARE HEREBY AUTHORIZED ON BEHALF OF
3 THE COMMONWEALTH OF PENNSYLVANIA TO GRANT AND CONVEY TO
4 PHILIPSBURG COMMUNITY HOSPITAL, A NONPROFIT, NONSTOCK
5 CORPORATION ORGANIZED AND OPERATING IN THIS COMMONWEALTH, IN
6 CONSIDERATION OF THE AGREEMENT OF PHILIPSBURG COMMUNITY HOSPITAL
7 TO USE SUCH PROPERTIES IN THE OPERATION OF A HOSPITAL, THE
8 FOLLOWING TRACTS OF LAND SITUATE IN PHILIPSBURG, CLEARFIELD
9 COUNTY, TOGETHER WITH ANY AND ALL BUILDINGS AND IMPROVEMENTS NOW
10 OR HEREAFTER LOCATED ON OR AT, OR USED IN CONNECTION WITH, THE
11 PROPERTY DESCRIBED IN THIS SECTION, INCLUDING, WITHOUT
12 LIMITATION, THE FIXTURES, ATTACHMENTS, APPLIANCES, EQUIPMENT,
13 MACHINERY AND ALL OTHER ARTICLES OWNED BY THE COMMONWEALTH
14 ATTACHED TO SUCH BUILDINGS AND IMPROVEMENTS, BOUNDED AND
15 DESCRIBED AS FOLLOWS:

16 TRACT NO. 1

17 BEING THE SAME PROPERTY WHICH FREDERICK SMITH AND BERTHA S.
18 SMITH, HIS WIFE, BY DEED DATED APRIL 29, 1898, AND RECORDED IN
19 DEED BOOK 60, PAGE 104, GRANTED UNTO THE COMMONWEALTH OF
20 PENNSYLVANIA.

21 TRACT NO. 2

22 BEING THE SAME PROPERTY WHICH AUSTIN CHALMER LYNN AND
23 HENRIETTA BRIEL LYNN, HIS WIFE, BY DEED DATED JUNE 8, 1949, AND
24 RECORDED IN DEED BOOK 205, PAGE 384, GRANTED UNTO THE
25 COMMONWEALTH OF PENNSYLVANIA.

26 TRACT NO. 3

27 BEING THE SAME PROPERTY WHICH SAMUEL L. BARR, WILLIAM H. LYNN
28 AND MICHAEL MAINES, EXECUTOR OF THE LAST WILL AND TESTAMENT OF
29 AUSTIN C. LYNN BY DEED DATED FEBRUARY 1954, AND RECORDED IN DEED
30 BOOK 222, PAGE 369, GRANTED UNTO THE COMMONWEALTH OF

1 PENNSYLVANIA.

2 TRACT NO. 4

3 BEING THE SAME PROPERTY WHICH O. PERRY JONES AND ANNIE V.
4 JONES, HIS WIFE, BY DEED DATED APRIL 27, 1898, AND RECORDED IN
5 DEED BOOK 75, PAGE 464, GRANTED UNTO THE COMMONWEALTH OF
6 PENNSYLVANIA.

7 TRACT NO. 5

8 BEING THE SAME PROPERTY WHICH FREDERICK SMITH AND BERTHA S.
9 SMITH, HIS WIFE, BY DEED DATED AUGUST 5, 1923, AND RECORDED IN
10 DEED BOOK 129, PAGE 622, GRANTED UNTO THE COMMONWEALTH OF
11 PENNSYLVANIA.

12 TRACT NO. 6

13 BEING THE SAME PROPERTY WHICH ROBERT LOYD AND MARGARET C.
14 LOYD, HIS WIFE, BY DEED DATED JUNE 25, 1895, AND RECORDED IN
15 DEED BOOK 71, PAGE 273, GRANTED UNTO THE COMMONWEALTH OF
16 PENNSYLVANIA.

17 EXCEPTION NO. 1

18 EXCEPTING THE RIGHTS AND EASEMENT WHICH THE COMMONWEALTH OF
19 PENNSYLVANIA ACTING BY THE DEPARTMENT OF PROPERTY AND SUPPLIES
20 WITH THE APPROVAL OF THE BOARD OF TRUSTEES OF PHILIPSBURG STATE
21 GENERAL HOSPITAL BY INDENTURE DATE JUNE 1973, GRANTED UNTO RUSH
22 TOWNSHIP, CENTRE COUNTY, PENNSYLVANIA, DESCRIBED AS FOLLOWS AND
23 AS ATTACHED HERETO IN FULL, WITH ALL CONDITIONS AND TERMS
24 CONTAINED THEREIN, AND MADE A PART HEREOF AS EXHIBIT "A":

25 BEGINNING AT A STAKE CORNER SAID CORNER BEING THE COMMON
26 CORNER BETWEEN MARTIN RUSHNAK AND THE PHILIPSBURG STATE GENERAL
27 HOSPITAL AND ON LINE OF THE MOSHANNON VALLEY REALTY COMPANY,
28 INC., AND SAID CORNER BEING NORTH TWENTY-FIVE DEGREES SIXTEEN
29 MINUTES EAST (N 25 16' E) A DISTANCE OF NINETY-TWO AND NINETY-
30 FIVE HUNDREDTHS (92.95') FEET FROM AN IRON PIN MONUMENT BEING ON

1 LINE OF THE PHILIPSBURG STATE GENERAL HOSPITAL AND BEING A
2 COMMON CORNER NOW OR FORMERLY OF VIRGINIA C. MULL AND THE
3 MOSHANNON VALLEY REALTY COMPANY, INC; THENCE ALONG LINE OF THE
4 MOSHANNON VALLEY REALTY COMPANY, INC., AND LANDS OF THE
5 PHILIPSBURG STATE GENERAL HOSPITAL SOUTH TWENTY-FIVE DEGREES
6 SIXTEEN MINUTES WEST (S 25 16' W) A DISTANCE OF FORTY AND NO
7 HUNDREDTHS (40.00') FEET TO A STAKE CORNER; THENCE BY LINE OF
8 OTHER LANDS OF THE PHILIPSBURG STATE GENERAL HOSPITAL NORTH
9 SIXTY-THREE DEGREES FIFTY-THREE MINUTES WEST (N 63 53' W) A
10 DISTANCE OF SEVEN HUNDRED SEVENTEEN AND SEVENTY-FOUR HUNDREDTHS
11 (717.74') FEET TO A STAKE CORNER ON THE EASTERN SIDE OF LOCH
12 LOMAND ROAD; THENCE ALONG THE EASTERN SIDE OF SAID LOCH LOMAND
13 ROAD NORTH TWENTY-FIVE DEGREES FORTY-FIVE MINUTES EAST (N 25 45'
14 E) A DISTANCE OF THIRTY-NINE AND NINETY-NINE HUNDREDTHS (39.99')
15 FEET TO A STAKE CORNER SAID CORNER BEING THE COMMON CORNER
16 BETWEEN MARTIN RUSHNAK AND THE PHILIPSBURG STATE GENERAL
17 HOSPITAL; THENCE ALONG LINE BETWEEN MARTIN RUSHNAK AND THE
18 PHILIPSBURG STATE GENERAL HOSPITAL SOUTH SIXTY-THREE DEGREES
19 FIFTY-THREE MINUTES EAST (S 63 53' E) A DISTANCE OF SEVEN
20 HUNDRED SEVENTEEN AND FORTY HUNDREDTHS (717.40') FEET TO A STAKE
21 CORNER THE PLACE OF BEGINNING.

22 CONTAINING 0.658 ACRES OF LAND, BE THE SAME MORE OR LESS.

23 THE SAID 0.658 ACRE OF LAND WAS MADE THE SUBJECT OF A PLAN
24 PREPARED MARCH 13, 1973, BY BERNARD LUCAS ASSOCIATES, AND A
25 PRINT OF SAID PLAN MARKED "EXHIBIT A" IS ATTACHED HERETO AND
26 MADE A PART OF THIS INSTRUMENT.

27 EXCEPTING THE RIGHTS AND PROPERTY WHICH THE COMMONWEALTH OF
28 PENNSYLVANIA, ACTING BY AND THROUGH THE DEPARTMENT OF PROPERTY
29 AND SUPPLIES, ON ADMINISTRATIVE DEPARTMENTS OF THE COMMONWEALTH
30 PURSUANT TO THE AUTHORITY OF THE ACT OF JUNE 16, 1967 (P.L.105,

1 NO.23), ENTITLED "AUTHORIZING THE DEPARTMENT OF PROPERTY AND
2 SUPPLIES, WITH THE APPROVAL OF THE GOVERNOR, TO SELL AND CONVEY
3 4.57 ACRES, MORE OR LESS, OF LAND SITUATE IN RUSH TOWNSHIP AND
4 THE BOROUGH OF PHILIPSBURG, CENTRE COUNTY," WITH THE APPROVAL OF
5 THE GOVERNOR BY INDENTURE DATED APRIL 24, 1968, AND RECORDED IN
6 DEED BOOK 301, PAGE 248, GRANTED UNTO THE PHILIPSBURG-OSCEOLA
7 AREA SCHOOL DISTRICT, A BODY CORPORATE AND POLITIC, CONSTITUTING
8 A GOVERNMENTAL INSTRUMENTALITY.

9 SECTION 9. THE GENERAL ASSEMBLY HAS APPROPRIATED FUNDS FOR
10 PAYMENT OF RENTAL CHARGES ON BEHALF OF PHILIPSBURG STATE GENERAL
11 HOSPITAL TO THE GENERAL STATE AUTHORITY TO RELEASE ALL PROPERTY
12 AUTHORIZED TO BE CONVEYED IN THIS ACT FROM ALL LIENS AND
13 ENCUMBRANCES IN FAVOR OF THE GENERAL STATE AUTHORITY IN ORDER TO
14 COMPLETE THE TRANSFER OF PHILIPSBURG STATE GENERAL HOSPITAL TO
15 PRIVATE OWNERSHIP.

16 SECTION 10. PHILIPSBURG COMMUNITY HOSPITAL SHALL PERFORM A
17 LEGAL SURVEY OF ALL THE PROPERTIES AUTHORIZED TO BE CONVEYED BY
18 THIS ACT. THE LEGAL DESCRIPTION RESULTING FROM SUCH A SURVEY
19 SHALL BE PLACED IN DEED OR DEEDS OF CONVEYANCE AUTHORIZED BY
20 THIS ACT.

21 SECTION 11. THE DEED OF CONVEYANCE SHALL CONVEY ANY AND ALL
22 TENEMENTS, HEREDITAMENTS, AND APPURTENANCES BELONGING TO THE
23 PROPERTY, BUILDINGS, AND IMPROVEMENTS DESCRIBED IN THIS ACT
24 INCLUSIVE, OR IN ANY WAY PERTAINING THERETO, AND ALL STREETS,
25 ALLEYS, PASSAGES, WAYS, WATER-COURSES, WATER RIGHTS, AND ALL
26 LEASEHOLD ESTATES, EASEMENTS, AND COVENANTS NOW EXISTING OR
27 HEREAFTER CREATED FOR THE BENEFIT OF THE OWNER OR TENANT OF THE
28 PROPERTY DESCRIBED IN THIS ACT INCLUSIVE AND ALL RIGHTS TO
29 ENFORCE THE MAINTENANCE OF SUCH PROPERTY, AND ALL OTHER RIGHTS,
30 LIBERTIES, AND PRIVILEGES OF WHATSOEVER KIND OR CHARACTER, AND

1 ALL THE ESTATE, RIGHT TITLE, INTEREST, PROPERTY, POSSESSION,
2 CLAIM AND DEMAND WHATSOEVER, AT LAW OR IN EQUITY, OF THE
3 COMMONWEALTH IN AND TO THE PROPERTY, BUILDINGS AND IMPROVEMENTS
4 DESCRIBED IN THIS ACT.

5 SECTION 12. THE DEPARTMENT OF GENERAL SERVICES, THE BOARD OF
6 TRUSTEES OF PHILIPSBURG STATE GENERAL HOSPITAL AND THE GENERAL
7 STATE AUTHORITY, WITH THE APPROVAL OF THE GOVERNOR AND THE
8 DEPARTMENT OF PUBLIC WELFARE, ARE HEREBY AUTHORIZED AND DIRECTED
9 ON BEHALF OF THE COMMONWEALTH OF PENNSYLVANIA TO GRANT AND
10 CONVEY TO PHILIPSBURG COMMUNITY HOSPITAL, A NONPROFIT, NONSTOCK
11 CORPORATION ORGANIZED AND OPERATING IN THE COMMONWEALTH OF
12 PENNSYLVANIA, IN CONSIDERATION OF THE AGREEMENT OF PHILIPSBURG
13 COMMUNITY HOSPITAL TO USE SUCH PROPERTY IN THE OPERATION OF A
14 HOSPITAL, ALL RIGHT, TITLE AND INTEREST OF THE COMMONWEALTH IN
15 AND TO ALL TANGIBLE AND INTANGIBLE PERSONAL PROPERTY OF ANY
16 NATURE WHATSOEVER OWNED BY THE COMMONWEALTH, INCLUDING, BUT NOT
17 LIMITED TO, FURNISHINGS, EQUIPMENT, VEHICLES, INVENTORIES,
18 BUSINESS RECORDS, PERSONNEL RECORDS, AND PATIENT RECORDS,
19 ATTACHED TO, OR LOCATED IN, ON, OR AT, OR USED IN CONNECTION
20 WITH THE PROPERTY, BUILDINGS AND EQUIPMENT DESCRIBED IN SECTION
21 8, WHETHER OR NOT SUCH PERSONAL PROPERTY IS OR SHALL BE AFFIXED
22 TO ANY SUCH PROPERTY, BUILDINGS OR IMPROVEMENTS.

23 SECTION 13. THE CONVEYANCES AUTHORIZED UNDER SECTIONS 8 AND
24 12 SHALL BE EXEMPT FROM TAXES, IMPOSTS OR OTHER FEES AND COSTS
25 TO THE EXTENT THAT SUCH TAXES, IMPOSTS, FEES AND COSTS ARE
26 IMPOSED BY ANY TAXING AUTHORITY.

27 SECTION 14. THE CONVEYANCES DESCRIBED IN THIS ACT SHALL BE
28 MADE UNDER AND SUBJECT TO ALL EASEMENTS, SERVITUDES AND RIGHTS
29 OF OTHERS, INCLUDING, BUT NOT CONFINED TO, STREETS, ROADWAYS AND
30 RIGHTS OF TELEPHONE, TELEGRAPH, WATER, ELECTRIC, SEWER, GAS OR

1 PIPELINE COMPANIES, AS WELL AS UNDER AND SUBJECT TO ANY
2 INTEREST, ESTATES OR TENANCIES VESTED IN THIRD PERSONS, WHETHER
3 OR NOT APPEARING OF RECORD, FOR ANY PORTION OF THE LAND OR
4 IMPROVEMENTS ERECTED THEREON.

5 SECTION 15. THE DEEDS OF CONVEYANCE OF THE PROPERTY
6 DESCRIBED IN THIS ACT SHALL BE APPROVED AS PROVIDED BY LAW AND
7 SHALL BE EXECUTED BY THE PRESIDENT OF THE GENERAL STATE
8 AUTHORITY AND BY THE SECRETARY OF GENERAL SERVICES IN THE NAME
9 OF THE COMMONWEALTH OF PENNSYLVANIA, AND SHALL BE EXECUTED BY A
10 DULY AUTHORIZED AGENT OF THE BOARD OF TRUSTEES OF PHILIPSBURG
11 STATE GENERAL HOSPITAL, WHO ARE HEREBY AUTHORIZED AND DIRECTED
12 TO JOIN IN SUCH DEEDS FOR THE PURPOSE OF TRANSFERRING SUCH
13 REMAINING INTEREST IN THE PROPERTIES DESCRIBED IN THIS ACT AS
14 SHALL BE VESTED AS OF THE TIME OF EXECUTION OF SUCH DEEDS IN THE
15 REMAINING MEMBERS OF THE BOARD OF TRUSTEES OF PHILIPSBURG STATE
16 GENERAL HOSPITAL.

17 SECTION 16. COSTS AND FEES INCIDENTAL TO THE CONVEYANCES
18 AUTHORIZED IN THIS ACT SHALL BE BORNE BY PHILIPSBURG COMMUNITY
19 HOSPITAL.

20 SECTION 17. AS OF THE DATE OF THE CONVEYANCES OF PROPERTY
21 AUTHORIZED BY THIS ACT, MANAGEMENT AND LEGAL CONTROL OF THE
22 AFFAIRS OF PHILIPSBURG STATE GENERAL HOSPITAL, INCLUDING,
23 WITHOUT LIMITATION, SERVICES, ADMINISTRATION, PERSONNEL AND
24 OTHER FUNCTIONS, SHALL BE TRANSFERRED AND VESTED IN PHILIPSBURG
25 COMMUNITY HOSPITAL, A NONPROFIT, NONSTOCK CORPORATION, WHICH MAY
26 EXERCISE BY LAW WITH RESPECT TO PHILIPSBURG STATE GENERAL
27 HOSPITAL ALL OF THE POWERS, RIGHTS AND FRANCHISES VESTED BY LAW
28 IN NONPROFIT, NONSTOCK CORPORATIONS UNDER THE LAWS OF THIS
29 COMMONWEALTH.

30 SECTION 18. ANY GIFT, GRANT, DONATION OF ANY KIND

1 WHATSOEVER, OR ANY BEQUEST, DEVISE, GIFT OR GRANT CONTAINED IN
2 ANY WILL OR OTHER INSTRUMENT, IN TRUST OR OTHERWISE, MADE TO OR
3 FOR THE BENEFIT OF PHILIPSBURG STATE GENERAL HOSPITAL BEFORE OR
4 AFTER THE CONVEYANCES AUTHORIZED BY THIS ACT SHALL INURE TO THE
5 BENEFIT OF PHILIPSBURG COMMUNITY HOSPITAL AND SHALL BE USED BY
6 PHILIPSBURG COMMUNITY HOSPITAL FOR ANY PURPOSES THAT SHALL BE
7 CONSISTENT WITH ANY CONDITIONS, RESTRICTIONS OR LIMITATIONS
8 IMPOSED BY THE MAKER OF SUCH GIFT, GRANT, DONATION, BEQUEST OR
9 DEVISE.

10 SECTION 19. THE DEEDS OF CONVEYANCE AUTHORIZED BY THIS ACT
11 SHALL CONTAIN CLAUSES THAT THE CONVEYANCE OF PROPERTIES SHALL BE
12 EXPRESSLY CONDITIONED UPON COMPLIANCE BY PHILIPSBURG COMMUNITY
13 HOSPITAL WITH TERMS AND CONDITIONS SET FORTH IN THIS SECTION.
14 SUCH DEEDS SHALL PROVIDE THAT IF, AT ANY TIME, PHILIPSBURG
15 COMMUNITY HOSPITAL, OR ITS SUCCESSORS, FAIL TO COMPLY WITH ANY
16 OF THE CONDITIONS SPECIFIED IN THIS SECTION, THE TITLE TO SUCH
17 PROPERTY SHALL IMMEDIATELY REVERT TO AND REVEST IN THE
18 COMMONWEALTH OF PENNSYLVANIA:

19 (1) PHILIPSBURG COMMUNITY HOSPITAL SHALL PROVIDE
20 UNCOMPENSATED CARE, INCLUDING INDIGENT CARE, TO PERSONS
21 UNABLE TO PAY THE COST THEREOF IN REASONABLE AMOUNTS TO
22 PERSONS UNABLE TO PAY THE COST THEREOF, AND TO THE EXTENT
23 FINANCIALLY FEASIBLE FOR PHILIPSBURG COMMUNITY HOSPITAL.
24 PHILIPSBURG COMMUNITY HOSPITAL SHALL, AT ALL TIMES, EXHIBIT
25 GOOD FAITH AND USE REASONABLE JUDGMENT IN ITS COLLECTION
26 EFFORTS RELATING TO UNCOMPENSATED CARE WHILE RECOGNIZING THE
27 CHARITABLE NATURE OF ITS ACTIVITY.

28 (2) IN THE EVENT THAT UNFORESEEN EVENTS REQUIRE THAT ALL
29 OR A SUBSTANTIAL PORTION OF THE HOSPITAL FACILITIES PRESENTLY
30 OPERATED AS PHILIPSBURG STATE GENERAL HOSPITAL BE CLOSED BY

1 PHILIPSBURG COMMUNITY HOSPITAL, OR ITS SUCCESSOR, AFTER THE
2 DATE OF THE CONVEYANCES AUTHORIZED BY THIS ACT, PHILIPSBURG
3 COMMUNITY HOSPITAL, OR ITS SUCCESSOR, SHALL PROVIDE NOT LESS
4 THAN 120 DAYS' WRITTEN NOTICE PRIOR TO THE PROPOSED DATE OF
5 CLOSING OF THE HOSPITAL TO THE DEPARTMENT OF PUBLIC WELFARE,
6 THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF
7 THE HOUSE OF REPRESENTATIVES. THE DEPARTMENT OF PUBLIC
8 WELFARE SHALL BE AUTHORIZED TO DESIGNATE A SUCCESSOR OWNER
9 AND OPERATOR TO WHOM PHILIPSBURG COMMUNITY HOSPITAL SHALL
10 TRANSFER THE PROPERTIES DESCRIBED IN THIS ACT WITHIN 30 DAYS'
11 WRITTEN DESIGNATION OF SUCH SUCCESSOR OWNER AND OPERATOR
12 BEING PROVIDED TO PHILIPSBURG COMMUNITY HOSPITAL BY THE
13 DEPARTMENT OF PUBLIC WELFARE PRIOR TO THE PROPOSED DATE OF
14 CLOSING, PROVIDED, HOWEVER, THAT THE DEPARTMENT PROVIDE THE
15 GENERAL ASSEMBLY NOT LESS THAN 60 DAYS' WRITTEN NOTICE OF
16 SUCH SUCCESSOR OWNER PRIOR TO THE PROPOSED DATE OF CLOSING
17 AND PROVIDED FURTHER THAT THE GENERAL ASSEMBLY DOES NOT ADOPT
18 A CONCURRENT RESOLUTION DISAPPROVING SUCH SUCCESSOR OWNER NOT
19 MORE THAN 30 DAYS AFTER THE GIVING OF SUCH NOTICE.

20 SECTION 20. (A) IN THE EVENT OF A SALE OR OTHER DISPOSITION
21 BY PHILIPSBURG COMMUNITY HOSPITAL OF ALL OR SUBSTANTIALLY ALL
22 THE PROPERTIES DESCRIBED IN THIS ACT FOR AN AMOUNT EQUALING OR
23 EXCEEDING FAIR MARKET VALUE AS DETERMINED BY THREE OR FEWER
24 PERSONS EXPERT IN ASSESSING THE VALUE OF HEALTH CARE
25 INSTITUTIONS, SUCH PERSON OR PERSONS TO BE MUTUALLY AGREED TO BY
26 THE DEPARTMENT OF PUBLIC WELFARE AND PHILIPSBURG COMMUNITY
27 HOSPITAL, AND SUBJECT TO SUCH FURTHER TERMS AND CONDITIONS AS
28 SHALL BE AGREED TO BETWEEN THE DEPARTMENT OF PUBLIC WELFARE AND
29 PHILIPSBURG COMMUNITY HOSPITAL, THE NET PROCEEDS OF SUCH
30 DISPOSITION SHALL BE USED AS FOLLOWS:

1 (1) IF THE SALE OR OTHER DISPOSITION OCCURS WITHIN FIVE
2 YEARS OF THE DATE OF CONVEYANCE OF THE PROPERTIES AUTHORIZED
3 BY THIS ACT, THE ENTIRE AMOUNT OF SUCH PROCEEDS SHALL BE PAID
4 OVER TO THE COMMONWEALTH OF PENNSYLVANIA WITHIN 180 DAYS OF
5 SUCH DISPOSITION TO BE USED EXCLUSIVELY FOR CHARITABLE,
6 EDUCATIONAL AND SCIENTIFIC PURPOSES.

7 (2) IF THE SALE OR OTHER DISPOSITION OCCURS MORE THAN
8 FIVE YEARS BUT LESS THAN TEN YEARS AFTER THE DATE OF THE
9 CONVEYANCE OF PROPERTIES AUTHORIZED BY THIS ACT, ONE-HALF OF
10 THE NET PROCEEDS SHALL BE PAID OVER TO THE COMMONWEALTH OF
11 PENNSYLVANIA WITHIN 180 DAYS OF SUCH DISPOSITION TO BE USED
12 EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL AND SCIENTIFIC
13 PURPOSES. THE REMAINING ONE-HALF OF SUCH NET PROCEEDS SHALL
14 BE PAID OVER BY PHILIPSBURG COMMUNITY HOSPITAL TO ONE OR MORE
15 CHARITABLE ORGANIZATIONS DESIGNATED BY PHILIPSBURG COMMUNITY
16 HOSPITAL AND DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL
17 REVENUE CODE OF 1954 (68A STAT. 3, 26 U.S.C. § 501 (C)(3)) TO
18 BE USED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL AND
19 SCIENTIFIC PURPOSES IN PHILIPSBURG AND SURROUNDING
20 COMMUNITIES.

21 (3) IF THE SALE OR OTHER DISPOSITION OCCURS MORE THAN
22 TEN YEARS AFTER THE DATE OF THE CONVEYANCE OF PROPERTIES
23 AUTHORIZED BY THIS ACT, ONE-HALF OF THE ENTIRE AMOUNT OF SUCH
24 PROCEEDS SHALL BE PAID OVER BY PHILIPSBURG COMMUNITY HOSPITAL
25 TO ONE OR MORE CHARITABLE ORGANIZATIONS DESIGNATED BY
26 PHILIPSBURG COMMUNITY HOSPITAL AND DESCRIBED IN SECTION
27 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1954, AND USED
28 EXCLUSIVELY FOR CHARITABLE PURPOSES RELATED TO THE PROVISION
29 AND PROMOTION OF HEALTH SERVICES IN PHILIPSBURG AND
30 SURROUNDING COMMUNITIES. THE REMAINING ONE-HALF OF ALL SUCH

1 PROCEEDS PAID TO PHILIPSBURG COMMUNITY HOSPITAL SHALL BE SET
2 ASIDE AND HELD BY ONE OR MORE CHARITABLE ORGANIZATIONS
3 DESIGNATED BY PHILIPSBURG COMMUNITY HOSPITAL AND DESCRIBED IN
4 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1954, AND
5 SHALL BE USED EXCLUSIVELY FOR CHARITABLE PURPOSES RELATED TO
6 THE PROVISION AND PROMOTION OF HEALTH SERVICES WITHIN THIS
7 COMMONWEALTH.

8 (B) SUBJECT TO THE RESTRICTIONS IN SUBSECTION (A), IN THE
9 EVENT OF A SALE OR OTHER DISPOSITION BY PHILIPSBURG COMMUNITY
10 HOSPITAL OF ALL OR SUBSTANTIALLY ALL THE PROPERTIES DESCRIBED IN
11 THIS ACT FOR LESS THAN FAIR MARKET VALUE AS DETERMINED BY THREE
12 OR FEWER PERSONS EXPERT AT ASSESSING THE VALUE OF HEALTH CARE
13 INSTITUTIONS, SUCH PERSON OR PERSONS TO BE MUTUALLY AGREED TO BY
14 THE DEPARTMENT OF PUBLIC WELFARE AND PHILIPSBURG COMMUNITY
15 HOSPITAL, PHILIPSBURG COMMUNITY HOSPITAL SHALL REQUIRE ANY
16 SUCCESSOR OWNER OR OPERATOR OF SUCH PROPERTY TO AGREE TO THE
17 CONDITIONS CONTAINED IN SECTION 19(A) AND (B), AND TO AGREE THAT
18 SUCH SUCCESSOR SHALL OBTAIN THE AGREEMENT OF ANY SUBSEQUENT
19 SUCCESSOR TO CONFORM TO THE CONDITIONS IMPOSED IN THIS SECTION
20 AND AS A CONDITION OF TRANSFER OF THE PROPERTY DESCRIBED IN THIS
21 ACT; AND, FURTHERMORE, ALL OF THE NET PROCEEDS OF ANY SUCH
22 DISPOSITION SHALL BE PAID IN THE SAME MANNER AS PROVIDED IN
23 SUBSECTION (A).

24 SECTION 21. IN ORDER TO QUALIFY TO RECEIVE PAYMENT OF ANY
25 NET PROCEEDS OF ANY DISPOSITION AUTHORIZED IN SECTION 20, ANY
26 ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL
27 REVENUE CODE OF 1954 (68A STAT. 3, 26 U.S.C. § 501 (C)(3)) SHALL
28 HAVE AS DIRECTORS AND AGREE TO HAVE AS DIRECTORS AT ALL TIMES
29 FOLLOWING SUCH PAYMENT, THE GOVERNOR, OR HIS DESIGNEE, AND THE
30 SECRETARY OF PUBLIC WELFARE, OR HIS DESIGNEE.

SECTION 22. AS USED IN THIS ACT, THE TERMS "NET PROCEEDS" SHALL MEAN ANY SUMS AND AMOUNTS REMAINING AFTER PROVIDING FOR THE OBLIGATIONS AND LIABILITIES OF PHILIPSBURG COMMUNITY HOSPITAL, INCLUDING, WITHOUT LIMITATION, ANY AMOUNTS OWING UNDER AGREEMENTS BETWEEN PHILIPSBURG COMMUNITY HOSPITAL AND THE DEPARTMENT OF PUBLIC WELFARE.

SECTION 23. 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 THE COMMONWEALTH RELATING TO PHILIPSBURG STATE GENERAL HOSPITAL ARE HEREBY TRANSFERRED TO PHILIPSBURG COMMUNITY HOSPITAL AS OF THE DATE OF THE CONVEYANCE OF THE PROPERTIES DESCRIBED IN THIS ACT. ALL MONEYS RECEIVED BY PHILIPSBURG COMMUNITY HOSPITAL FOR SERVICES RENDERED BY THE COMMONWEALTH AT PHILIPSBURG STATE GENERAL HOSPITAL PRIOR TO THE DATE OF CONVEYANCE 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 HEREIN SHALL IMPOSE UPON PHILIPSBURG COMMUNITY HOSPITAL ANY OBLIGATION, CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE COMMONWEALTH ARISING OUT OF OR IN CONNECTION WITH THE OPERATION OF PHILIPSBURG STATE GENERAL HOSPITAL BY THE COMMONWEALTH. THE COMMONWEALTH SHALL INDEMNIFY AND HOLD HARMLESS PHILIPSBURG COMMUNITY HOSPITAL AGAINST ALL CLAIMS, OBLIGATIONS AND LIABILITIES WHATSOEVER, ARISING OR ACCRUING OUT OF THE OPERATION OF PHILIPSBURG STATE GENERAL HOSPITAL BY THE COMMONWEALTH AT ANY TIME PRIOR TO THE CONVEYANCE OF THE PROPERTIES DESCRIBED IN THIS ACT.

SECTION 24. THE DEPARTMENT OF PUBLIC WELFARE IS AUTHORIZED

1 TO PAY TO PHILIPSBURG COMMUNITY HOSPITAL \$5,600,000, TO BE USED
2 AS FOLLOWS:

3 (1) TWO MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS TO BE
4 USED FOR THE COSTS OF OPERATING THE HOSPITAL FACILITIES; AND

5 (2) TWO MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS FOR
6 NECESSARY PHYSICAL PLANT RENOVATIONS AND CAPITAL EXPENDITURES
7 CONSISTENT WITH THE PROPOSED RENOVATIONS AND EQUIPMENT
8 REPLACEMENT SET FORTH IN THE PROPOSAL FOR THE DIVESTITURE OF
9 PHILIPSBURG STATE GENERAL HOSPITAL (PAGES 37-40) AND
10 INCLUDING RENOVATIONS TO THE INTENSIVE CARE UNIT SUBMITTED TO
11 THE DEPARTMENT OF PUBLIC WELFARE BY THE HEALTHMARK
12 CORPORATION IN APRIL 1986.

13 THESE PAYMENTS SHALL BE MADE SUBJECT TO SUCH FURTHER TERMS AND
14 CONDITIONS AS SHALL BE AGREED TO BETWEEN THE DEPARTMENT OF
15 PUBLIC WELFARE AND PHILIPSBURG COMMUNITY HOSPITAL.

16 SECTION 25. (A) AS A CONDITION OF CONVEYANCE AUTHORIZED BY
17 THIS ACT, PHILIPSBURG COMMUNITY HOSPITAL SHALL AGREE THAT NONE
18 OF ITS DIRECTORS (OTHER THAN EX OFFICIO DIRECTORS, IF ANY,
19 DESIGNATED BY HEALTHMARK CORP., ITS AFFILIATE OR SUCCESSOR)
20 SHALL SERVE MORE THAN TWO FULL CONSECUTIVE TERMS OF THREE YEARS
21 AS A DIRECTOR, AND THAT NO DIRECTOR SHALL SERVE MORE THAN EIGHT
22 CONSECUTIVE YEARS AS A DIRECTOR, INCLUDING SHORTENED TERMS AS AN
23 INITIAL DIRECTOR OR TO FILL A VACANCY. ANY DIRECTOR SERVING SUCH
24 CONSECUTIVE YEARS OR TERMS SHALL BE INELIGIBLE TO SERVE AS A
25 DIRECTOR UNTIL AT LEAST ONE YEAR FOLLOWING THE EXPIRATION OF
26 SUCH DIRECTOR'S MOST RECENT TERM OF SERVICE.

27 (B) AS A CONDITION OF THE CONVEYANCE OF PROPERTIES
28 AUTHORIZED BY THIS ACT, PHILIPSBURG COMMUNITY HOSPITAL AGREES TO
29 CREATE A MECHANISM AND PROCEDURE FOR RECEIVING SUGGESTIONS FROM
30 THE COMMUNITIES PRESENTLY SERVED BY PHILIPSBURG COMMUNITY

1 HOSPITAL CONCERNING THE OPERATION OF THE HOSPITAL.

2 (C) AS A CONDITION OF THE CONVEYANCES AUTHORIZED BY THIS

3 ACT, PHILIPSBURG COMMUNITY HOSPITAL SHALL BE PROHIBITED FROM

4 ENTERING INTO ANY TRANSACTION OR UNDERTAKING WITH A DIRECTOR OR

5 OFFICER OF THE CORPORATION, OR WITH A MEMBER OF THE IMMEDIATE

6 FAMILY OF A DIRECTOR OR OFFICER, OR WITH ANY ENTERPRISE IN WHICH

7 A DIRECTOR OR OFFICER, OR A MEMBER OF THE IMMEDIATE FAMILY OF

8 SUCH DIRECTOR OR OFFICER, POSSESSES A MATERIAL FINANCIAL

9 INTEREST IN SUCH ENTERPRISE, WHERE THE EFFECT OF SUCH

10 UNDERTAKING WOULD BE TO CONFER A MATERIAL FINANCIAL BENEFIT UPON

11 SUCH DIRECTOR OR OFFICER, OR UPON SUCH A MEMBER OF THE IMMEDIATE

12 FAMILY, OR UPON SUCH ENTERPRISE, PROVIDED THAT THIS PROHIBITION

13 SHALL NOT APPLY IN THE CASE OF A FINANCIAL BENEFIT TO AN

14 ENTERPRISE, WHERE A MAJORITY OF THE DISINTERESTED DIRECTORS OF

15 PHILIPSBURG COMMUNITY HOSPITAL DETERMINE THAT THE TRANSACTION OR

16 UNDERTAKING WOULD BE A SUBSTANTIAL BENEFIT TO PHILIPSBURG

17 COMMUNITY HOSPITAL. THIS PROHIBITION SHALL APPLY, WITHOUT

18 LIMITATION, TO CONTRACTS OF EMPLOYMENT EXCEPT TO THE EXTENT THAT

19 A SIMILAR CONTRACT OF EMPLOYMENT WAS IN EFFECT PRIOR TO OR AS OF

20 THE DATE OF CONVEYANCE BETWEEN THE INDIVIDUAL IN QUESTION AND

21 PHILIPSBURG COMMUNITY HOSPITAL. THE FOREGOING PROHIBITION SHALL

22 NOT APPLY TO ANY CONTRACT OF EMPLOYMENT FOR FULL-TIME EMPLOYMENT

23 AS AN OFFICER ENTERED INTO BETWEEN PHILIPSBURG COMMUNITY

24 HOSPITAL AND ANY PERSON WHO IS NOT AND HAS NOT BEEN A DIRECTOR

25 OR OFFICER OF PHILIPSBURG COMMUNITY HOSPITAL AT OR PRIOR TO THE

26 TIME OF SUCH CONTRACT; NOR SHALL THE FOREGOING PROHIBITION APPLY

27 TO ANY CONTRACT OF EMPLOYMENT FOR FULL-TIME EMPLOYMENT ENTERED

28 INTO BETWEEN PHILIPSBURG COMMUNITY HOSPITAL AND ANY PERSON

29 SERVING AS A DIRECTOR AND OFFICER OF THE CORPORATION TO THE

30 EXTENT THAT THE STATUS OF SUCH PERSON AS A DIRECTOR IS DERIVED

1 SOLELY FROM SUCH PERSON'S STATUS AS AN OFFICER. FOR PURPOSES OF
2 THIS SUBSECTION THE TERM "IMMEDIATE FAMILY" SHALL INCLUDE ANY
3 PARENT, ISSUE, SPOUSE OR SIBLING OF A DIRECTOR, OR ANY PERSON
4 STANDING IN SUCH RELATIONSHIP TO A MEMBER OF THE IMMEDIATE
5 FAMILY OF A DIRECTOR. SUCH PROHIBITION SHALL BE DEFINED IN TERMS
6 AGREED TO BETWEEN THE DEPARTMENT OF PUBLIC WELFARE AND
7 PHILIPSBURG COMMUNITY HOSPITAL, PRIOR TO THE DATE OF THE
8 CONVEYANCE AUTHORIZED BY THIS SECTION.

9 SECTION ~~6~~ 26. (A) SECTION ~~3~~ 5 OF THIS ACT, AMENDING SECTION <—
10 1411(E) OF THE ADMINISTRATIVE CODE OF 1929, SHALL TAKE EFFECT
11 JULY 1, 1987, AND SHALL BE APPLICABLE TO TERMS OR SEMESTERS
12 BEGINNING THEREAFTER.

13 (B) SECTION ~~2~~ 4 OF THIS ACT, AMENDING SECTION 1104 OF THE <—
14 ADMINISTRATIVE CODE OF 1929, SHALL TAKE EFFECT APRIL 1, 1987.

15 (C) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IMMEDIATELY.