

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2455

Session of
1980

INTRODUCED BY ZITTERMAN, SHUPNIK, C. GEORGE, W. D. HUTCHINSON,
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COSLETT, MUSTO, KLINGAMAN AND HASAY, APRIL 9, 1980

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 9, 1980

AN ACT

1 Providing for the Pennsylvania State General Hospitals
2 Commission and providing for its powers and duties;
3 transferring all rights, titles and interest of the
4 Commonwealth in the Pennsylvania State General Hospitals to
5 the commission; transferring the boards of trustees of the
6 Pennsylvania State General Hospitals from the Department of
7 Public Welfare to the Pennsylvania State General Hospitals
8 Commission and providing for their powers and duties; making
9 other changes relating thereto; making an appropriation and
10 repeals.

TABLE OF CONTENTS

11
12 Section 1. Short title.
13 Section 2. Definitions.
14 Section 3. Commission established; salaries.
15 Section 4. Powers and duties of the commission.
16 Section 5. Appointment of the boards of trustees of
17 Pennsylvania State General Hospitals.
18 Section 6. Powers and duties of the boards of trustees of
19 the Pennsylvania State General Hospitals.
20 Section 7. Bonds; form and contents; sale; resolutions;
21 security.

Section 8. Rights and remedies of bondholders; trustees;
receivers.

Section 9. Deposits; annual financial reports.

Section 10. Contracts and purchases; bids; bonds; actions;
exceptions.

Section 11. Use of facilities; operation.

Section 12. Pledge by the Commonwealth.

Section 13. Exemption from taxes and assessments.

Section 14. Transfers and assignments to commission; county
bonds, grants or loans.

Section 15. Employer-employee relations.

Section 16. Transfers.

Section 17. Appropriation.

Section 18. Repeals.

Section 19. Effective date.

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

Section 1. Short title.

This act shall be known and may be cited as the "Pennsylvania
State General Hospitals Commission Act."

Section 2. Definitions.

The following words and phrases when used in this act shall
have, unless the context clearly indicates otherwise, the
meanings given to them in this section:

"Board." A board of trustees of a Pennsylvania State General
Hospital.

"Boards." The boards of trustees of the Pennsylvania State
General Hospitals.

"Commission." The Pennsylvania State General Hospitals
Commission hereinafter established.

"Pennsylvania State General Hospitals." The following hospitals:

- (1) Ashland State General Hospital.
- (2) Coaldale State General Hospital.
- (3) Connellsville State General Hospital.
- (4) Hazleton State General Hospital.
- (5) Locust Mountain State General Hospital.
- (6) Nanticoke State General Hospital.
- (7) Philipsburg State General Hospital.
- (8) Scranton State General Hospital.
- (9) Shamokin State General Hospital.

Section 3. Commission established; salaries.

(a) The Pennsylvania State General Hospitals Commission is hereby established. The commission is hereby constituted an instrumentality of the Commonwealth and the exercise by the commission of the powers conferred by this act in the operation and maintenance of the Pennsylvania State General Hospitals shall be deemed and held to be an essential governmental function of the Commonwealth.

(b) The commission shall consist of five members, and the Secretary of Public Welfare shall be a member ex officio. The four remaining members shall be appointed by the Governor by and with the advice and consent of two-thirds of the members of the Senate, and shall be residents of the Commonwealth of Pennsylvania at the time of their appointment and qualification, and shall also at such time have been qualified electors therein for a period of at least one year next preceding their appointment. The appointed members of the commission shall continue in office for terms of four, six, eight and ten years, respectively, from the dates of their appointment and until

1 their respective successors shall be duly appointed and
2 qualified, the term of each appointed member to be designated by
3 the Governor at the time of his appointment; but their
4 successors shall each be appointed for a term of ten years,
5 except that any person appointed to fill a vacancy shall serve
6 only for the unexpired term and any member of the commission
7 shall be eligible for reappointment. Immediately after such
8 appointments, the members of the commission shall enter upon
9 their duties. Each appointed member of the commission before
10 entering upon his duties shall take the oath prescribed by
11 Article VIII of the Constitution of the Commonwealth. The
12 commission shall elect one of the appointed members as chairman
13 of the commission and shall also elect a secretary and treasurer
14 who may not be a member of the commission. Three members of the
15 commission shall constitute a quorum who, for all purposes, must
16 act unanimously. No vacancy in the commission shall impair the
17 right of a quorum of the commissioners to exercise all the
18 rights and perform all the duties of the commission.

19 (c) Each appointed member of the commission shall receive an
20 annual salary of \$25,000, payable in monthly installments and
21 each member of the commission shall be reimbursed for necessary
22 expenses incurred in the performance of his duties. All such
23 compensation and salaries and all expenses incurred in carrying
24 out the provisions of this act shall be paid solely from funds
25 provided under the authority of this act, and no liability or
26 obligation shall be incurred hereunder beyond the extent to
27 which money shall have been provided under the authority of this
28 act.

29 Section 4. Powers and duties of the commission.

30 (a) The commission shall acquire the Pennsylvania State

1 General Hospitals and the Pennsylvania State General Hospitals
2 are hereby transferred to the commission. The commission shall
3 be charged with the operation, maintenance and improvement of
4 those facilities.

5 (b) The commission is hereby granted and shall have and may
6 exercise all powers necessary or convenient for carrying out the
7 aforesaid purposes, including but without limiting the
8 generality of the foregoing, the following powers:

9 (1) To have perpetual existence.

10 (2) To sue and be sued, implead and be impleaded,
11 complain and defend in all courts, to join in any proceeding
12 before any governmental bodies or courts in any matter
13 affecting or relating to the operation of the Pennsylvania
14 State General Hospitals.

15 (3) To adopt and use and alter at will a corporate seal.

16 (4) To establish a principal office and such other
17 office or offices as may be necessary for the carrying on of
18 its duties.

19 (5) To acquire, purchase, hold, lease, as lessee and use
20 any franchise, property, real, personal or mixed, tangible or
21 intangible or any interest therein, necessary or desirable
22 for carrying out the purposes of the commission and to sell,
23 lease as lessor, transfer and dispose of any property or
24 interest therein, at any time, required by it.

25 (6) To acquire by purchase, lease or otherwise, and to
26 construct, improve, maintain, repair and operate facilities.

27 (7) To make bylaws for the management and regulation of
28 its affairs.

29 (8) To appoint officers, agents, employees and servants,
30 to prescribe their duties and fix their compensation.

1 (9) To fix, alter, charge and collect fees, rentals and
2 other charges for its facilities at reasonable rates to be
3 determined exclusively by it for the purpose of providing for
4 the payment of the expenses of the commission, the
5 acquisition, construction, improvement, repair, maintenance
6 and operation of its facilities and properties, the payment
7 of the principal and interest on its obligations and to
8 comply fully with the terms and provisions of any agreements
9 made with the purchasers or holders of any such obligations.
10 The commission shall determine by itself exclusively, the
11 facilities to be operated by it and the services to be
12 available to the public.

13 (10) To borrow money, make and issue negotiable notes,
14 bonds, refunding bonds and other evidences of indebtedness or
15 obligations of the commission and to secure the payment of
16 such bonds, or any part thereof, by pledge or deed of trust
17 of all or any of its revenues, rentals and receipts and to
18 make such agreements with the purchasers or holders of such
19 bonds or with others in connection with any such bonds,
20 whether issued or to be issued as the commission shall deem
21 advisable and in general, to provide for the security for
22 said bonds and the rights of the holders thereof.

23 (11) To make contracts of every name and nature and to
24 execute all instruments necessary or convenient for the
25 carrying on of its business. Without limiting the generality
26 of the foregoing, the commission is authorized to enter into
27 contracts for the purchase, lease, operation or management of
28 its facilities.

29 (12) Without limitation of the foregoing, to borrow
30 money and accept grants from and to enter into contracts,

1 leases or other transactions with any Federal agency,
2 Commonwealth of Pennsylvania, municipality or corporation.

3 (13) To have the power of eminent domain.

4 (14) To pledge, hypothecate or otherwise encumber, all
5 or any of the revenues or receipts of the commission as
6 security for all or any of the obligations of the commission.

7 (15) To do all acts and things necessary for the
8 promotion of its business and the general welfare of the
9 commission to carry out the powers granted to it by this act
10 or any other acts.

11 (16) To enter into contracts with the Commonwealth of
12 Pennsylvania, municipalities or corporations, on such terms
13 as the commission shall deem proper for the use of any
14 facility of the commission and fixing the amount to be paid
15 therefor.

16 (17) To enter into contracts of group insurance for the
17 benefit of its employees, or to continue in existence any
18 existing insurance and/or pension or retirement system and/or
19 any other employee benefit arrangement covering employees of
20 an acquired existing State general hospital and/or to set up
21 a retirement or pension fund or any other employee benefit
22 arrangement for such employees.

23 (18) The commission shall have no power, at any time or
24 in any manner, to pledge the credit or taxing power of the
25 Commonwealth of Pennsylvania or any political subdivision,
26 nor shall any of its obligations be deemed to be obligations
27 of the Commonwealth of Pennsylvania or of any of its
28 political subdivisions, nor shall the Commonwealth of
29 Pennsylvania or any political subdivision thereof be liable
30 for the payment of principal or interest on such obligations.

(19) To self insure or otherwise provide for the insurance of any property or operations of the commission against any risks or hazards.

Section 5. Appointment of the boards of trustees of Pennsylvania State General Hospitals.

The boards of trustees of each of the Pennsylvania State General Hospitals are hereby transferred from the Department of Public Welfare to the commission. Each board shall consist of nine members, and the Secretary of the Department of Public Welfare 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 on 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.

Section 6. Powers and duties of the boards of trustees of the

1 Pennsylvania State General Hospitals.

2 The board of trustees of each of the Pennsylvania State
3 General Hospitals shall have general direction and control of
4 the property and management of such institution. It shall have
5 the power and its duty shall be:

6 (1) Subject to the approval of the Governor, to elect a
7 superintendent of the hospital, who shall, subject to the
8 authority of the board, administer the institution in all its
9 departments.

10 (2) On nomination by the superintendent from time to
11 time, to appoint such officers and employees as may be
12 necessary.

13 (3) To fix the salaries of its employees in conformity
14 with the standards established by the executive board.

15 (4) Subject to the approval of the secretary, to make
16 such bylaws, rules and regulations for the management of the
17 institution as it may deem wise.

18 (5) When only a part of a hospital is used as a
19 geriatric center, the responsibilities of the board of
20 trustees of such hospital shall continue to extend to the
21 entire institution.

22 Section 7. Bonds; form and contents; sale; resolutions;
23 security.

24 (a) The bonds of the commission shall be authorized by
25 resolution of the commission and shall be of such series, bear
26 such date or dates, mature at such time or times, bear interest
27 at such rate or rates, not exceeding 6% per annum, except that
28 for a period of one year after the effective date of this act,
29 the rate or rates of interest may be in excess of 6% per annum
30 as shall be determined by the commission as necessary to issue

1 and sell said bonds, except that no bonds shall be sold at less
2 than 98% of their principal amount plus interest charges,
3 payable semiannually, be in such denominations, be in such form,
4 either coupon or fully registered without coupons, carry such
5 registration, exchangeability and interchangeable privileges, be
6 payable in such medium of payment and at such place or places,
7 be subject to such terms of redemption, at such prices not
8 exceeding 105% of the principal amount thereof, and be entitled
9 to such priorities in the revenues, rentals or receipts of the
10 commission as such resolution or resolutions may provide. The
11 bonds shall be signed by such officers as the commission shall
12 determine, and coupon bonds shall have attached thereto interest
13 coupons bearing the facsimile signature of the treasurer of the
14 commission, all as may be prescribed in such resolution or
15 resolutions. The bonds may be issued and delivered,
16 notwithstanding that one or more of the officers signing the
17 bonds or the treasurer, whose facsimile signature shall be upon
18 the coupon, or any officer thereof, shall have ceased to be such
19 officer at the time when the bonds shall actually be delivered.

20 (b) The bonds may be sold at public or private sale, for
21 such price or prices as the commission shall determine, except
22 that no bonds shall be sold at less than 98% of their principal
23 amount plus interest charges, but the interest cost to maturity
24 of any money received for any issue of said bonds shall not
25 exceed 6% per annum, except that for a period of one year after
26 the effective date of this act, the interest cost to maturity of
27 any money received on any issue of said bonds may exceed 6% per
28 annum as shall be determined by the board of the authority as
29 necessary to issue and sell said bonds. Pending the preparation
30 of the definitive bonds, interim receipts or temporary bonds may

1 be issued to the purchaser or purchasers of the bonds and may
2 contain such terms and conditions as the commission may
3 determine.

4 (c) Any resolution or resolutions, authorizing any bonds,
5 may contain provisions which shall be part of the contract with
6 the holders thereof as to:

7 (1) pledging the full faith and credit of the commission
8 for such obligations, or restricting the same to all or any
9 of the revenues, rentals or receipts of the commission from
10 all or any facilities;

11 (2) the construction, improvement, operation, extension,
12 enlargement, maintenance and repair of the facilities and the
13 duties of the commission with reference thereto;

14 (3) the terms and provisions of the bonds;

15 (4) limitations on the purposes to which the proceeds of
16 the bonds, then or thereafter to be issued, or of any loan or
17 grant of the United States may be applied;

18 (5) the rate of fees, rentals and other charges by the
19 facilities for services rendered including limitations upon
20 the power of the commission to modify and lease or other
21 agreement, pursuant to which fees, rentals or other charges
22 are payable;

23 (6) the setting aside of reserves or sinking funds and
24 the regulations and disposition thereof;

25 (7) limitations on the issuance of additional bonds;

26 (8) the terms and provisions of any deed of trust or
27 indenture securing the bonds or under which the same may be
28 issued; and

29 (9) any other or additional agreements with holders of
30 the bonds.

(d) The commission may enter into any deeds of trust indentures or other agreements with any bank or trust company or any person or persons in the United States having power to enter into the same, including any Federal agency as security for such bonds, and may assign and pledge any or all of the revenues, rentals or receipts of the authority thereunder. The deed of trust indenture or other agreement may contain such provisions as may be customary in such instruments or as the commission may authorize, including, but without limitation, provision as to:

(1) the construction, improvement, operation, maintenance and repair of facilities and the duties of the commission with reference thereto;

(2) the application of funds and the safeguarding of funds on hand or on deposit;

(3) the rights and remedies of said trustees and the holders of the bonds (which may include restrictions upon the individual right of action upon such bondholders); and

(4) the terms and provisions of the bonds or the resolutions authorizing the issuance of the same.

The bonds shall have all the qualities of negotiable instruments under the law of merchants and Title 13 of the Pennsylvania Consolidated Statutes (relating to commercial code).

Section 8. Rights and remedies of bondholders; trustees; receivers.

(a) The rights and remedies, hereinafter conferred upon or granted to the bondholders, shall be in addition to, and not in limitation of, any rights and remedies lawfully granted to such bondholders by the resolution or resolutions providing for the issuance of bonds or by any deed of trust indenture or other

1 agreement under which the same may be issued. In the event that
2 the commission shall default in the payment of principal or
3 interest on any of the bonds after such principal or interest
4 shall become due, whether at maturity or upon call for
5 redemption, and such default shall continue for a period of 30
6 days, or in event the commission shall fail or refuse to comply
7 with the provisions of this act or shall default in any
8 agreement made with the holders of the bonds, the holders of 25%
9 in the aggregate of the principal amount of the bonds then
10 outstanding may (except as such right may be limited under the
11 provisions of any deed of trust indenture or other agreement as
12 aforesaid) appoint a trustee to represent the bondholders for
13 the purposes herein provided.

14 (b) The trustee and any trustee under any deed of trust
15 indenture or other agreement may and, upon written request of
16 the holders of 25% (or such other percentages as may be
17 specified in any deed of trust indenture or other agreement
18 aforesaid) in principal amount of the bonds then outstanding,
19 shall in his or its own name:

20 (1) by mandamus or other suit, action or proceeding, at
21 law or in equity, enforce all rights of the bondholders,
22 including the right to require the authority to collect
23 rates, rentals or other charges, adequate to carry out any
24 agreement as to, or pledge of, the revenues or receipts of
25 the authority, and to require the authority to carry out any
26 other agreements with or for the benefits of the bondholders
27 and to perform its and their duties under this act;

28 (2) bring suit upon the bonds;

29 (3) by action or suit in equity require the authority to
30 account as if it were the trustee of an express trust for the

1 bondholders;

2 (4) by action or suit in equity enjoin any acts or
3 things which may be unlawful or in violation of the rights of
4 the bondholders; and

5 (5) by notice in writing to the authority declare all
6 bonds due and payable and if all defaults shall be made good,
7 then with the consent of the holders of 25% (or such other
8 percentage as may be specified in any deed of trust indenture
9 or other agreement aforesaid) of the principal amount of the
10 bonds then outstanding to annul such declaration and its
11 consequences.

12 (c) The court of common pleas of the county wherein the
13 commission is located shall have jurisdiction of any suit,
14 action or proceedings by the trustees on behalf of the
15 bondholders. Any trustee, when appointed as aforesaid or acting
16 under a deed of trust indenture or other agreement and whether
17 or not all bonds have been declared due and payable, shall be
18 entitled as of right to the appointment of a receiver, who may
19 (to the same extent that the commission itself could so do)
20 enter and take possession of the facilities of the commission or
21 any part or parts thereof, the revenues, rentals or receipts
22 from which are or may be applicable to the payment of the bonds
23 so in default and operate and maintain the same and collect and
24 receive all fees, rentals and other revenues thereafter arising
25 therefrom in the same manner as the commission might do, and
26 shall deposit all such moneys in a separate account and apply
27 the same in such manner as the court shall direct. In any suit,
28 action or proceeding by the trustee, the fees, counsel fees and
29 expenses of the trustee and of the receiver, if any, and all
30 costs and disbursements allowed by the court shall be a first

1 charge on any revenues, rentals and receipts derived from the
2 facilities of the commission, the revenues or receipts from
3 which are or may be applicable to the payment of the bonds so in
4 default. Said trustee shall, in addition to the foregoing, have
5 and possess all of the powers necessary or appropriate for the
6 exercise of any functions specifically set forth herein or
7 incident to the general representation of the bondholders in the
8 enforcement and protection of their rights.

9 (d) Nothing in this act shall authorize any receiver
10 appointed pursuant to this act for the purpose of operating and
11 maintaining any facilities of the commission to sell, assign,
12 mortgage or otherwise dispose of any of the assets of whatsoever
13 kind and character, belonging to the commission. It is the
14 intention of this act to limit the powers of such receiver to
15 the operation and maintenance of the facilities of the
16 commission, as the court may direct, and no holder of the bonds
17 of the authority nor any trustee shall ever have the right in
18 any suit, action or proceeding, in law or in equity, to compel a
19 receiver, nor shall any receiver ever be authorized or any court
20 be empowered to direct a receiver to sell, assign, mortgage or
21 otherwise dispose of any assets of whatever kind or character
22 belonging to the commission.

23 Section 9. Deposits; annual financial reports.

24 All moneys of the commission from whatever source derived,
25 shall be paid to the treasurer of the commission. The moneys
26 shall be deposited in the first instance by the treasurer in one
27 or more banks or trust companies, in one or more special
28 accounts, and each of such special accounts to the extent the
29 same is not insured shall be continuously secured by a pledge of
30 direct obligations of the United States of America or the

1 Commonwealth of Pennsylvania, having an aggregate market value
2 exclusive of accrued interest, at all times, at least equal to
3 the balance on deposit in such account. The securities shall
4 either be deposited with the treasurer or held by a trustee or
5 agent satisfactory to the commission. All banks and trust
6 companies are authorized to give such security for such
7 deposits. The moneys in said accounts shall be paid out on the
8 warrant or other order of the chairman of the commission or of
9 such other person or persons as the commission may authorize to
10 execute such warrants or orders. As soon after the end of each
11 fiscal year as may be expedient, the commission shall cause to
12 be prepared and printed a report and financial statement
13 certified to by an independent certified public accountant of
14 its operations and of its assets and liabilities.

15 Section 10. Contracts and purchases; bids; bonds; actions;
16 exceptions.

17 (a) All contracts or purchases in excess of \$2,500 shall be
18 in writing and, except those hereinafter mentioned, shall not be
19 made except with and from the lowest responsible bidder meeting
20 specifications, after due notice in at least one newspaper of
21 general circulation, published or circulating in the county at
22 least three times, at intervals of not less than three days
23 where daily newspapers of general circulation are employed for
24 such publication, or in case weekly newspapers are employed,
25 then the notice shall be published once a week for two
26 successive weeks. The first advertisement shall be published not
27 less than ten days prior to the date fixed for the opening of
28 bids. All contracts or purchases under \$2,500 may be negotiated
29 with or without competitive bidding under sound procurement
30 procedures as promulgated and established by the board.

1 (b) The acceptance of bids shall only be made by public
2 announcement at the meeting of the commission at which bids are
3 received or at a subsequent meeting, the time and place of which
4 shall be publicly announced when bids are received. If for any
5 reason one or both of the above meetings shall not be held, the
6 same business may be transacted at any subsequent meeting, if at
7 least five days' notice thereof shall be published in the
8 newspaper aforesaid.

9 (c) The successful bidder, when advertising is required
10 herein, shall be required to furnish a bond with suitable
11 reasonable requirements guaranteeing performance of the
12 contract, with sufficient surety in the amount of 50% of the
13 amount of the contract, within 20 days after the contract has
14 been awarded unless the commission shall prescribe a shorter
15 period of not less than ten days, and upon failure to furnish
16 such bond within such time, the previous awards shall be void.
17 Deliveries, accomplishment and guarantees may be required in all
18 cases of expenditures, including the exceptions herein, and in
19 the case of construction contracts, the successful bidder shall
20 be required to furnish an additional bond in an amount of at
21 least 50% of the amount of the contract for the protection of
22 all persons furnishing labor or materials in the performance of
23 such construction contract. Any person furnishing labor or
24 materials in the performance of a construction contract may
25 maintain an action on the additional bond to recover for such
26 labor or materials as though such person were named in the bond
27 as obligee: Provided, That such person shall have commenced his
28 action within one year from the time the cause of action
29 accrued.

30 (d) The contracts or purchases made by the commission which

1 shall not require advertising or bidding as hereinbefore
2 provided, are as follows:

3 (1) Those for maintenance, repairs or replacements for
4 water, electric light, or other public works: Provided, That
5 they do not constitute new additions, extensions or
6 enlargements of existing facilities and equipment, but a bond
7 may be required by the commission as in other cases of work
8 done.

9 (2) Those made for improvements, repairs and maintenance
10 of any kind made or provided by the commission through its
11 own employees.

12 (3) Those where particular types, models or pieces of
13 new equipment, article, apparatus, appliances, vehicles or
14 parts thereof are desired by the commission, which are
15 patented and manufactured products or copyrighted products.

16 (4) Those involving any policies of insurance or surety
17 company bonds, those made with a municipality or a county,
18 the Commonwealth of Pennsylvania, the Federal Government, any
19 agency of the Commonwealth or the Federal Government, or any
20 municipal authority, including the sale, leasing or loan of
21 any supplies or materials by the Commonwealth or the Federal
22 Government or their agencies, but the price thereof shall not
23 be in excess of that fixed by the Commonwealth, the Federal
24 Government or their agencies.

25 (5) Those involving personal or professional services.

26 Section 11. Use of facilities; operation.

27 The use of the facilities of the commission and the operation
28 thereof shall be subject to the rules and regulations adopted
29 from time to time by the commission, but the commission shall
30 not be authorized to do anything which will impair the security

1 of the holders of the obligations of the commission or violate
2 any agreements with them or for their benefit.

3 Section 12. Pledge by the Commonwealth.

4 The Commonwealth does hereby pledge to, and agree with any
5 person, firm or corporation or Federal agency subscribing to or
6 acquiring the bonds to be issued by the commission for the
7 construction, extension, improvement or enlargement of any
8 facility, or part thereof, that the Commonwealth will not limit
9 or alter the rights hereby vested in the commission, until all
10 bonds, at any time issued, together with the interest thereon,
11 are fully met and discharged. The Commonwealth of Pennsylvania
12 does further pledge to, and agree with the United States and any
13 other Federal agency, that in the event any Federal agency shall
14 construct or contribute any funds for the construction,
15 extension, improvement or enlargement of any facility, or
16 portion thereof, the Commonwealth will not alter or limit the
17 rights and powers of the commission in any manner which would be
18 inconsistent with the continued maintenance and operation of its
19 facilities, or the improvement thereof, or which would be
20 inconsistent with the due performance of any agreements between
21 the commission and any such Federal agency, and the commission
22 shall continue to have and may exercise all powers herein
23 granted, so long as the same may be necessary or desirable for
24 the carrying out of the purposes of this act and the purposes of
25 the United States in the construction or improvement or
26 enlargement of its facilities or such portion thereof.

27 Section 13. Exemption from taxes and assessments.

28 The effectuation of the authorized purposes of the commission
29 created by this act, shall and will be in all respects for the
30 benefit of the people of the Commonwealth, for the improvement

1 of their health and living conditions; and since the commission
2 will be performing essential government functions in
3 effectuating such purposes, the commission shall not be required
4 to pay any taxes or assessments upon any property acquired or
5 used by it for such purposes, or fee, bridge tolls or other
6 charge imposed or authorized to be imposed by virtue of any law
7 of the Commonwealth of Pennsylvania, except vehicle registration
8 fees, liquid fuels taxes, fuel use taxes, gross receipts taxes
9 imposed as an excise on the use of public highways, and tolls
10 imposed by the Pennsylvania Turnpike Commission. In lieu of
11 taxes or special assessments, the commission may agree to make
12 payments to any municipality. The bonds issued by the
13 commission, their transfer and the income therefrom, including
14 any profits made on the sale therefrom, shall at all times be
15 free from taxation, other than inheritance and estate taxation,
16 within the Commonwealth of Pennsylvania.

17 Section 14. Transfers and assignments to commissions; county
18 bonds, grants or loans.

19 Any municipality or owner is hereby authorized to sell,
20 lease, lend, grant, transfer or convey to the commission, with
21 or without consideration, any facility or any part or parts
22 thereof, or any interest in real or personal property which may
23 be used by the commission in the construction, improvement,
24 maintenance or operation of any of its facilities. Any
25 municipality is also authorized to transfer, sell, assign and
26 set over to the commission any contracts which may have been
27 awarded by such municipality for the construction of facilities
28 not begun, or if begun, not completed. Any county is hereby
29 empowered to issue general obligation or nondebt revenue bonds
30 for the purpose of providing funds for the acquisition,

1 construction or improvement of any facility of the commission.
2 Any county may and it is hereby authorized to make grants or
3 loans from current revenues or the proceeds of general
4 obligation bonds to the commission to assist in defraying the
5 costs of the operation, maintenance and debt service of any of
6 its facilities and to enter into long term agreements providing
7 for the payment of such grants.

8 Section 15. Employer-employee relations.

9 The commission shall deal with and enter into written
10 contracts with the employees of the commission through
11 accredited representatives of such employees or representatives
12 of any labor organization authorized to act for such employees
13 concerning wages, salaries, hours, working conditions and
14 pension or retirement provisions.

15 In case of any labor dispute where collective bargaining does
16 not result in agreement, the commission shall offer to submit
17 such dispute to arbitration by a board composed of three
18 persons, one appointed by the commission, one appointed by the
19 labor organization representing the employees, and a third
20 member to be agreed upon by the labor organization and the
21 commission. The member selected by the labor organization and
22 the commission shall act as chairman of the board. The
23 determination of the majority of the board of arbitration thus
24 established shall be final and binding on all matters in
25 dispute. If, after a period of ten days from the date of the
26 appointment of the two arbitrators representing the commission
27 and the labor organization, the third arbitrator has not been
28 selected, then either arbitrator may request the American
29 Arbitration Association to furnish a list of five persons from
30 which the third arbitrator shall be selected. The arbitrators

1 appointed by the commission and the labor organization,
2 promptly, after the receipt of such list, shall determine, by
3 lot, the order of elimination and, thereafter, each shall, in
4 that order alternately, eliminate one name until only one name
5 remains. The remaining person on the list shall be the third
6 arbitrator. The term "labor dispute" shall be broadly construed
7 and shall include any controversy concerning wages, salaries,
8 hours, working conditions or benefits, including health and
9 welfare, sick leave insurance or pension or retirement
10 provisions but not limited thereto, and including any
11 controversy concerning any differences or questions that may
12 arise between the parties including, but not limited to the
13 making or maintaining of collective bargaining agreements, the
14 terms to be included in such agreements and the interpretation
15 or application of such collective bargaining agreements and any
16 grievances that may arise. Each party shall pay one-half of the
17 expenses of such arbitration. The employees of the Pennsylvania
18 State General Hospitals, as are necessary for the operation
19 thereof by the commission, shall be transferred to and appointed
20 as employees of the commission subject to all rights and
21 benefits of this act. These employees shall be given seniority
22 credit and sick leave, vacation, insurance and pension credits
23 in accordance with the records or labor agreements from the
24 acquired State general hospitals. Members and beneficiaries of
25 any pension or retirement system or other benefits established
26 by the acquired State general hospitals shall continue to have
27 rights, privileges, benefits, obligations and status with
28 respect to such established system. The commission shall assume
29 the obligations of any State general hospitals acquired by it
30 with regard to wages, salaries, hours, working conditions, sick

1 leave, health and welfare and pension or retirement provisions
2 for employees. It shall assume the provisions of any collective
3 bargaining agreement between the acquired State general
4 hospitals and the representatives of its employees. The
5 commission and the employees through their representatives for
6 collective bargaining purposes shall take whatever action may be
7 necessary to have pension trust funds presently under the joint
8 control of the acquired State general hospitals and the
9 participating employees through their representatives
10 transferred to the trust fund to be established, maintained and
11 administered jointly by the commission and the participating
12 employees through their representatives.

13 No employee of any acquired State general hospital, who is
14 transferred to a position with the commission, shall by reason
15 of such transfer be placed in any worse position with respect to
16 workmen's compensation, pension, seniority, wages, sick leave,
17 vacation, health and welfare insurance or any other benefits
18 than he enjoyed as an employee of such acquired State general
19 hospital.

20 Employees who have left the employ of any acquired State
21 general hospital or leave the employ of the commission to enter
22 the military service of the United States shall have such
23 reemployment rights with the commission as may be granted under
24 any law of the United States or the Commonwealth of
25 Pennsylvania.

26 Section 16. Transfers.

27 All personnel, allocations, appropriations, agreements,
28 leases, claims, demands and causes of action of any nature
29 whether or not subject to litigation on the date of this act,
30 equipment, files, records, classified data files, plans, maps,

1 air photographs and all other materials which are used, employed
2 or expended in connection with the duties, powers or functions
3 relating to the Pennsylvania State General Hospitals are hereby
4 transferred by this act to the Pennsylvania State General
5 Hospitals Commission with the same force and effect as if the
6 appropriations had been made to and said items had been the
7 property of the Pennsylvania State General Hospitals Commission
8 in the first instance and if said contracts, agreements, leases
9 and obligations had been incurred or entered into by the
10 Pennsylvania State General Hospitals Commission.

11 Section 17. Appropriation.

12 The sum of , or as much thereof
13 as may be necessary, is hereby appropriated to the commission to
14 carry out the purposes of this act.

15 Section 18. Repeals.

16 (a) The following acts or parts of acts are hereby repealed:

17 As much of sections 202 and 401, act of April 9, 1929
18 (P.L.177, No.175), known as "The Administrative Code of 1929,"
19 as relates to the Pennsylvania State General Hospitals.

20 Section 316, act of June 13, 1967 (P.L.31, No.21), known as
21 the "Public Welfare Code."

22 (b) All acts or parts of acts inconsistent herewith are
23 hereby repealed.

24 Section 19. Effective date.

25 This act shall take effect in 180 days, except that the
26 Governor is authorized to submit nominations for appointment to
27 the commission to the Senate within 60 days from the date of
28 enactment.