

CHAPTER 599—S.F.No. 2017

An act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; permitting repayment of a refund; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; and Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. DEFINITIONS.

Subdivision 1. SCOPE. For purposes of sections 1 to 3, the following terms have the meanings given them in this section.

Subd. 2. BOARD. "Board" means the Gillette children's hospital board established by Minnesota Statutes, section 250.05, subdivision 1.

Subd. 3. NONPROFIT CORPORATION. "Nonprofit corporation" means the entity formed in accordance with section 2, subdivision 1.

Sec. 2. INCORPORATION AS NONPROFIT CORPORATION.

Subdivision 1. INCORPORATION. The board may incorporate as a nonprofit corporation under Minnesota Statutes, chapter 317. Upon incorporating in accordance with this subdivision, the resulting nonprofit corporation ceases to be a public corporation in the executive branch of state government.

Subd. 2. EMPLOYEES. (a) Employees of the nonprofit corporation are not state employees. A person who is an employee of the board and a member of the Minnesota state retirement association at the time of an incorporation under subdivision 1 remains a member of the association. An employee hired after an incorporation under subdivision 1 is not a member of the association, but is a member of a retirement system established and maintained by the nonprofit corporation.

(b) For an employee who remains a member of the Minnesota state retirement system, the nonprofit corporation shall pay the employer contributions required by Minnesota Statutes, section 352.04, subdivision 3, and shall deduct from the employee's salary and transmit to the association the employee contribution required by section 352.04, subdivision 2.

Subd. 3. PROPERTY. Personal property of the board other than fixtures becomes property of the nonprofit corporation upon incorporation in accordance with subdivision 1. The board's interest in the buildings constituting St. Paul-Ramsey hospital under the agreement among the board, the city of St. Paul, and Ramsey county made on February 19, 1975, is transferred upon incorporation to the city and the county in proportion to their current interests.

Subd. 4. LEASEHOLD INTEREST. Notwithstanding subdivision 3, the city of St. Paul and Ramsey county shall grant the nonprofit corporation a

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leasehold interest in the areas of buildings owned by the board under article 2 of the February 19, 1975, agreement. Except as otherwise provided in this act or agreed to by the nonprofit corporation, the city, and the county, the terms of the lease must be no less favorable to the nonprofit corporation than the terms of the board's occupancy. The lease must be for a term of 30 years, but is terminable by the nonprofit corporation if the nonprofit corporation vacates those areas entirely or partially, by the nonprofit corporation or the city and county if the nonprofit corporation ceases to provide services and training in medical and surgical care of children with handicaps or disabilities in the leased areas, or upon mutual agreement of the parties. Unless agreed to by the city and the county, the leasehold interest under this subdivision may be transferred by the nonprofit corporation only to a successor nonprofit corporation into which the nonprofit corporation may merge, of which it may become a subsidiary, or that may be formed by the nonprofit corporation and another nonprofit corporation. The leasehold interest may also be transferred to the city of St. Paul and Ramsey county without limitation as to use.

Sec. 3. AFFILIATION.

Along with the other powers of a nonprofit corporation, the nonprofit corporation may agree to affiliate with Minneapolis children's medical center or its parent corporation, Minneapolis ChildCare, to improve the coordination and efficiency of the two institutions in providing comprehensive health care to children. The nonprofit corporation may become subsidiary of, and delegate management powers and functions to, Minneapolis ChildCare.

Sec. 4. REPAYMENT OF REFUND.

Notwithstanding any contrary provision of Minnesota Statutes, section 353.35, a person employed by the St. Paul school district from January, 1983 to October, 1987 may repay a refund received from the public employees retirement association for service between October 1, 1954 and March 31, 1955. The amount of the repayment must be determined under Minnesota Statutes, section 353.35. The repayment must be made within 90 days of the effective date of this section.

Sec. 5. REPEALER.

Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6, are repealed. Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7, are repealed.

Sec. 6. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment. Section 5 is effective upon the filing of the articles of incorporation with the secretary of state effecting an incorporation under section 2, subdivision 1.

Approved April 21, 1988

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