

ORIGINAL SENATE
FILE NO. 0117

ENROLLED ACT NO. 86, SENATE

FIFTY-NINTH LEGISLATURE OF THE STATE OF WYOMING
2007 GENERAL SESSION

AN ACT relating to public health; creating the critical access and rural hospital endowment challenge account; providing for separate accounts for each critical access or rural hospital as specified; defining terms; imposing conditions and limitations; establishing a matching program based upon gifts received by each critical access or rural hospital's foundation; providing an appropriation; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 35-1-1001 through 35-1-1004 are created to read:

ARTICLE 10
WYOMING CRITICAL ACCESS/RURAL HOSPITAL ENDOWMENT CHALLENGE
PROGRAM

35-1-1001. Wyoming critical access or rural hospital endowment challenge program.

The Wyoming critical access/rural hospital endowment challenge program is created.

35-1-1002. Definitions.

(a) As used in this article:

(i) "Challenge account" means the critical access or rural hospital endowment challenge account created under this article;

(ii) "Critical access or rural hospital" means:

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(A) A county hospital established pursuant to W.S. 18-8-101, et seq., or a special district hospital established pursuant to W.S. 35-2-401, et seq., that is certified to receive cost-based reimbursement from Medicare or has forty (40) beds or less; or

(B) A hospital that is certified to receive cost-based reimbursement from Medicare or has forty (40) beds or less which is owned by a private not for profit entity and is operated in a county in this state in which there is no hospital meeting the requirements of subparagraph (A) of this paragraph.

(iii) "Endowment gift" means an irrevocable gift or transfer to a Wyoming critical access or rural hospital foundation of money or other property, whether real, personal, tangible or intangible, and whether or not the donor or transferor retains an interest in the property, where the gift or the foundation's interest in the property is required to be used by the foundation exclusively for endowment purposes, provided:

(A) The gift was received or the transfer occurred during the period July 1, 2007, through June 30, 2012; or

(B) A commitment to make the gift or transfer was made in writing to the respective critical access or rural hospital foundation, which commitment was received during the period July 1, 2007, through June 30, 2012, and the gift was received or the transfer occurred not later than June 30, 2013.

(iv) "Foundation" means an organization established for each critical access or rural hospital that among other purposes, exists to generate additional

ORIGINAL SENATE
FILE NO. 0117

ENROLLED ACT NO. 86, SENATE

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2007 GENERAL SESSION

revenues for critical access or rural hospital programs and activities;

(v) "Permanent endowment funds managed by a Wyoming critical access or rural hospital foundation" means the endowment funds that are invested by the respective Wyoming critical access or rural hospital foundation on a permanent basis and the earnings on those investments are dedicated to be expended exclusively to benefit and promote the mission, operation or any program or activity of the respective critical access or rural hospital, including but not limited to capital and programmatic expenses, healthcare, increases to the corpus of the endowment and to defray reasonable costs of endowment administration.

35-1-1003. Wyoming critical access or rural hospital endowment challenge account.

(a) The Wyoming critical access or rural hospital endowment challenge account is created and shall consist of separate accounts, one (1) account for each Wyoming critical access or rural hospital.

(b) The state treasurer shall invest funds within the account created under subsection (a) of this section and shall deposit the earnings from account investments to the general fund.

35-1-1004. Endowment challenge account matching program; matching payments; agreements with foundations; annual reports.

(a) To the extent funds are available in the separate account of any critical access or rural hospital within the endowment challenge account, the state treasurer shall match endowment gifts actually received by that critical

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access or rural hospital's foundation. A match shall be paid under this subsection by the state treasurer at the time any accumulated amounts actually received by a critical access or rural hospital foundation total ten thousand dollars (\$10,000.00) or more. The match shall be made by transferring from the separate challenge account to the appropriate critical access or rural hospital board of trustees an amount equal to the amount accumulated by the foundation or, if the critical access or rural hospital was eligible to receive revenues from any tax imposed under W.S. 35-2-414(b) and (c) and a tax was not levied or was levied pursuant to one (1) but not both of those subsections, an amount equal to fifty percent (50%) of the amount accumulated by the foundation. The board shall immediately transfer all matching funds received to its foundation. The critical access or rural hospital foundation shall match the funds received under this subsection with an equal amount of foundation funds to be managed in accordance with subsection (b) of this section.

(b) Each critical access hospital shall enter into an agreement with its foundation under which the foundation shall manage the matching funds received under subsection (a) of this section in the same manner as other permanent endowment funds are managed by its foundation, including the permanent investment of funds, maintenance of the fund corpus as inviolate and the expenditure of fund earnings for endowment purposes only.

(c) Earnings from endowment funds established with matching funds under this section shall be expended only for the purpose of the endowment, including increasing the balance in the fund corpus and reasonable costs of administration.

ORIGINAL SENATE
FILE NO. 0117

ENROLLED ACT NO. 86, SENATE

FIFTY-NINTH LEGISLATURE OF THE STATE OF WYOMING
2007 GENERAL SESSION

(d) The state treasurer shall make transfers to the appropriate critical access hospital board under this section not later than the end of the calendar quarter following the quarter during which foundation gifts total at least ten thousand dollars (\$10,000.00). If gifts are made through a series of payments or transfers, no matching funds shall be transferred under this section until the total value of all payments or transfers actually received totals at least ten thousand dollars (\$10,000.00).

(e) Matching funds paid under this section shall not be distributed to or encumbered by any critical access or rural hospital foundation in excess of the amount in the challenge account for that critical access or rural hospital. Matching funds shall not be transferred to any critical access or rural hospital board by the state treasurer or from any such board to a foundation except to match gifts actually received by the foundation.

(f) If the foundation's board of any critical access or rural hospital determines that the purpose of an endowment gift to the critical access or rural hospital is not consistent with the mission or capability of that critical access or rural hospital, the gift shall not qualify for matching funds under this section.

(g) For the purpose of computing the matching amount, the state treasurer shall use the value of an endowment gift based upon its fair market value at the time the gift is received by the critical access or rural hospital foundation. The critical access or rural hospital shall provide evidence of fair market value for any gift if requested by the state treasurer and shall fund the cost of providing any requested evidence.

ORIGINAL SENATE
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(h) Each critical access or rural hospital shall on or before October 1 of each year submit a report to the state treasurer from its foundation on the endowment matching program under this section for the preceding fiscal year. The report shall include a financial summary and a review of the accomplishments resulting from endowment program expenditures. The report required under this subsection shall be for each applicable fiscal year through June 30, 2014.

(j) Notwithstanding any other provision of this article, for any critical access or rural hospital qualifying under the provisions of W.S. 35-1-1002(a)(ii)(B), funds provided under this article shall be disbursed only to the board of county commissioners in which the hospital is located. The board of county commissioners shall provide those funds to the critical access or rural hospital under contract between the board of county commissioners and the critical access or rural hospital, which contract shall incorporate all provisions of this article and which shall control the distribution and use of those funds.

Section 2.

(a) Four million dollars (\$4,000,000.00) is appropriated from the general fund to the critical access or rural hospital endowment challenge account as created under section 1 of this act. Of this appropriation, not more than two million dollars (\$2,000,000.00) shall be transferred to the challenge account as necessary during the fiscal period beginning July 1, 2007 and ending June 30, 2008. The remaining funds shall be transferred to the challenge account as necessary during the fiscal period beginning July 1, 2008 and ending June 30, 2009. Notwithstanding any other provision of law, any unexpended

ORIGINAL SENATE
FILE NO. 0117

ENROLLED ACT NO. 86, SENATE

FIFTY-NINTH LEGISLATURE OF THE STATE OF WYOMING
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funds from the amount appropriated under this subsection shall revert to the budget reserve account on July 1, 2013.

(b) Amounts transferred into the challenge account under subsection (a) of this section shall be equally deposited into each of the separate accounts created within the account pursuant to section 1 of this act.

Section 3. This act is effective July 1, 2007.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk