



**House Boards, Agencies and Commissions Reported
Substitute for SB222**

A BILL

TO BE ENTITLED

AN ACT

Relating to medical clinic boards; to add Section 11-58-5.2 to the Code of Alabama 1975; to authorize medical clinic boards to readjust debt pursuant to federal bankruptcy law in certain circumstances.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-58-5.2 is added to the Code of Alabama 1975, to read as follows:

§11-58-5.2

(a) This section shall apply to any medical clinic board that leases property to a licensed acute care hospital or general health care provider that has voluntarily filed for Chapter 11 bankruptcy under the United States Bankruptcy Code.

(b) A medical clinic board meeting the requirements of subsection (a) shall have the power to take all steps and proceedings contemplated or permitted by any act of the Congress of the United States relating to the readjustment of municipal indebtedness including, without limitation, the commencement of a case under the United States Bankruptcy Code, and the State of Alabama hereby gives its assent thereto and hereby authorizes such a medical clinic board to proceed



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under the federal acts for the readjustment of its debts.

(c) (1) The members of the board of directors of a medical clinic board authorized under this section to pursue readjustment of its debts shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the member against whom the claim is made had a reasonable basis for believing occurred, within the scope of board employment, duties, or responsibilities.

(2) Nothing in this subsection shall be construed to protect any member from suit or liability for any damage, loss, injury, or liability caused by the intentional, willful, or wanton misconduct of that member.

(3) The procurement of insurance of any type by the board of directors does not in any way compromise or limit the immunity granted by this subsection.

Section 2. This act shall become effective immediately.