

SB222 ENGROSSED



1 SB222

2 PSS7IEG-2

3 By Senator Hatcher

4 RFD: Fiscal Responsibility and Economic Development

5 First Read: 04-Mar-25



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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



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29 and hereby authorizes such a medical clinic board to proceed
30 under the federal acts for the readjustment of its debts.

31 (c) A member of the board of directors of a medical
32 clinic board authorized under this section to pursue
33 readjustment of its debts shall be immune from suit and not
34 subject to civil liability arising from any action taken
35 pursuant to that authority, to the same extent allowed under
36 Section 36-1-12.

37 Section 2. This act shall become effective immediately.



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40 Senate

41 Read for the first time and referred04-Mar-25
42 to the Senate committee on Fiscal
43 Responsibility and Economic
44 Development
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46 Read for the second time and placed05-Mar-25
47 on the calendar:
48 1 amendment
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50 Read for the third time and passed06-Mar-25
51 as amended
52 Yeas 26
53 Nays 0
54 Abstains 1
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Patrick Harris,
Secretary.

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