

**SB222 INTRODUCED**



1 SB222  
2 PSS7IEG-1  
3 By Senator Hatcher  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 04-Mar-25



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SYNOPSIS:

Under existing law, medical clinic boards may be incorporated as public agencies to build and equip medical facilities and lease to other entities.

This bill would authorize medical clinic boards to readjust debt under federal bankruptcy law under certain circumstances.

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.



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30           (b) A medical clinic board meeting the requirements of

31 subsection (a) shall have the power to take all steps and

32 proceedings contemplated or permitted by any act of the

33 Congress of the United States relating to the readjustment of

34 municipal indebtedness including, without limitation, the

35 commencement of a case under the United States Bankruptcy

36 Code, and the State of Alabama hereby gives its assent thereto

37 and hereby authorizes such a medical clinic board to proceed

38 under the federal acts for the readjustment of its debts.

39           (c) A member of the board of directors of a medical

40 clinic board authorized under this section to pursue

41 readjustment of its debts shall be immune from suit and not

42 subject to civil liability arising from any action taken

43 pursuant to that authority.

44           Section 2. This act shall become effective immediately.