



H.B. 67

125th General Assembly

(As Reported by S. Health, Human Services and Aging)

Reps. Faber, Seitz, Schmidt, Kearns, Reidelbach, Jolivette, Barrett, Brown, Callender, Carano, Cates, Cirelli, Daniels, Domenick, Fessler, Flowers, Harwood, Hughes, Key, Latta, Martin, Price, Sferra, Strahorn, Widowfield, Yates

BILL SUMMARY

- Removes the limit on the amount of a secured line of credit for which the governing board of a joint township district hospital may contract.

CONTENT AND OPERATION

Background

Ohio law permits two or more contiguous townships to form a joint township district hospital board to establish a joint township district hospital. (R.C. 513.07 to 513.18.) The board must appoint a board of hospital governors to oversee the operation and staffing of the hospital.

Secured line of credit

(R.C. 513.17)

Current law authorizes the board of hospital governors of a joint township district hospital to enter into a contract for a secured line of credit.¹ The contract entered into must meet several requirements, one of which is that the amount of the line of credit cannot exceed \$500,000. The bill eliminates the \$500,000 limit.

COMMENT

¹ A secured line of credit is an arrangement whereby a lender agrees to furnish a specific sum of money or loan on a continuous basis until canceled or until a predetermined date. Some form of collateral or legal right to claim certain assets of the debtor is required. (Bonham, Howard Bryan, Adams' Complete Investment and Finance Dictionary. Woelfel, Charles, The Dictionary of Banking.)

The bill changes none of the other contractual requirements, which are as follows:

- (1) The term of the contract cannot exceed 180 days;
- (2) The amount extended must be repaid in full before any additional credit can be extended;
- (3) In the event of a default, the lending institution cannot commence a civil action to recover the principal, interest, or any other amounts that remain outstanding from the joint township district hospital board or any board member, the board of township trustees, the board of county commissioners, or the township;
- (4) No assets other than those of the hospital can be used to secure the line of credit;
- (5) The terms and conditions of the contract must comply with all applicable state and federal laws.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-18-03	p. 160
Reported, H. Health	06-18-03	pp. 608-609
Passed House (98-1)	06-25-03	p. 965
Reported, S. Health, Human Services & Aging	03-18-04	p. 1651

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