



Ohio Revised Code

Section 140.05 Leasing hospital facilities.

Effective: September 29, 2013

Legislation: House Bill 59 - 130th General Assembly

(A)(1) A public hospital agency may lease any hospital facility to one or more hospital agencies for use as a hospital facility, or to one or more city or general health districts; boards of alcohol, drug addiction, and mental health services; county boards of developmental disabilities; the department of mental health and addiction services; or the department of developmental disabilities, for uses which they are authorized to make thereof under the laws applicable to them, or any combination of them, and they may lease such facilities to or from a hospital agency for such uses, upon such terms and conditions as are agreed upon by the parties. Such lease may be for a term of fifty years or less and may provide for an option of the lessee to renew for a term of fifty years or less, as therein set forth. Prior to entering into such lease, the governing body of any public hospital agency granting such lease must determine, and set forth in a resolution or ordinance, that such lease will promote the public purpose stated in section 140.02 of the Revised Code and that the lessor public hospital agency will be duly benefited thereby.

(2) If the lease is with a board of county commissioners, board of county hospital trustees, or county hospital commission and is an agreement for the initial lease of a county hospital operated by a board of county hospital trustees under section 339.06 of the Revised Code, the governing body of the public hospital agency shall submit the agreement, accompanied by the resolution or ordinance, to the board of county commissioners for review pursuant to section 339.091 of the Revised Code. The agreement may be entered into only if the board of county commissioners adopts a resolution under that section. The requirements of division (A)(2) of this section do not apply to the lease if one or more hospitals classified as general hospitals by the director of health under section 3701.07 of the Revised Code are operating in the same county as the county hospital.

(B) Any lease entered into pursuant to this section shall provide that in the event that the lessee fails faithfully and efficiently to administer, maintain, and operate such leased facilities as hospital facilities, or fails to provide the services thereof without regard to race, creed, color, or national origin, or fails to require that any hospital agency using such facilities or the services thereof shall not discriminate by reason of race, creed, color, or national origin, after an opportunity to be heard



upon written charges, said lease may be terminated at the time, in the manner and with consequences therein provided. If any such lease does not contain terms to the effect provided in this division, it shall nevertheless be deemed to contain such terms which shall be implemented as determined by the governing body of the lessor.

(C) Such lease may provide for rentals commencing at any time agreed upon, or advance rental, and continuing for such period therein provided, notwithstanding and without diminution, rebate, or setoff by reason of time of availability of the hospital facility for use, delays in construction, failure of completion, damage or destruction of the hospital facilities, or for any other reason.

(D) Such lease may provide for the sale or transfer of title of the leased facilities pursuant to an option to purchase, lease-purchase, or installment purchase upon terms therein provided or to be determined as therein provided, which may include provision for the continued use thereof as a hospital facility for some reasonable period, taking into account efficient useful life and other factors, as is provided therein.

(E) Such lease may be entered as part of or in connection with an agreement pursuant to section 140.03 of the Revised Code. Any hospital facilities which are the subject of an agreement entered into under section 140.03 of the Revised Code may be leased pursuant to this section.

(F) If land acquired by a public hospital agency for a hospital facility is adjacent to an existing hospital facility owned by another hospital agency, the public hospital agency may, in connection with such acquisition or the leasing of such land and hospital facilities thereon to one or more hospital agencies, enter into an agreement with the hospital agency which owns such adjacent hospital facility for the use of common walls in the construction, operation, or maintenance of hospital facilities of the public hospital agency. For the purpose of construction, operation, or maintenance of hospital facilities, a public hospital agency may acquire by purchase, gift, lease, lease with option to purchase, lease-purchase, or installment purchase, easement deed, or other agreement, real estate and interests in real estate, including rights to use space over, under or upon real property owned by others, and support, access, common wall, and other rights in connection therewith. Any public hospital agency or other political subdivision or any public agency, board, commission, institution, body, or instrumentality may grant such real estate, interests, or rights to any hospital agency upon such terms as are agreed upon without necessity for competitive bidding



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or public auction.