



2023-2024 General Assembly

# HOUSE BILL 600: Regulatory Reform Act of 2023, Sec. 53: Revisions Regarding the Lease or Sale of Hospital Facilities to or from For-Profit or Nonprofit Corporations or Other Business Entities by Municipalities and Hospital Authorities

---

<b>Committee:</b>	<b>Date:</b>	December 11, 2023
<b>Introduced by:</b>	<b>Prepared by:</b>	Kyle Evans Staff Attorney
<b>Analysis of:</b>	Sec. 53 of S.L. 2023-137	

---

**OVERVIEW:** Section 53 of S.L. 2023-137 exempts from sale and leasing requirements any leases in which the same tenant has continuously held possession of a hospital facility, or part of a hospital facility, since at least June 30, 1984.

*This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on January 1, 2024.*

## CURRENT LAW & BILL ANALYSIS:

G.S. 131E-13(a) provides that a municipality or hospital authority can lease, sell, or convey any hospital facility, or part, to or from a for-profit or nonprofit corporation or other business entity, subject to certain conditions concerning the continued provision of care at the hospital facility.

G.S. 131E-13(d) imposes additional public notice and hearing requirements on the lease, sale, or conveyance of a hospital facility by a municipality or hospital authority.

**Section 53** exempts from these requirements any leases in which the same tenant has continuously held possession of a hospital facility, or part of a hospital facility, since at least June 30, 1984. This section also provides that if the tenant, acting as a sublessor, provides notice to the municipality or hospital authority of the sublease, that the municipality or hospital authority must comply with an alternative notice process.

**EFFECTIVE DATE:** This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on January 1, 2024.

Jeffrey Hudson  
Director



Legislative Analysis  
Division  
919-733-2578