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CHAPTER 123

The Medical University of South Carolina

**SECTION 59‑123‑10.** Change of name; programs limited to health area; new programs and organizational changes.

The name of the Medical College of South Carolina is hereby changed to “The Medical University of South Carolina,” it being the intent that this institution will limit its programs to those in the health area. It is further intended that any new programs undertaken by the institution will first be approved by the Commission on Higher Education and that no organizational changes in the operation and management of the institution shall be made as a result of the change in name.

HISTORY: 1962 Code Section 22‑350; 1969 (56) 444.

**SECTION 59‑123‑20.** Acceptance of transfer of property.

The State of South Carolina hereby expressly declares that it accepts the conveyance and transfer of the property, real and personal, of The Medical University of South Carolina and the State Treasurer may receive and securely hold such property, both real and personal, and execute the necessary papers and receipts therefor as soon as the trustees and faculty of The Medical University of South Carolina shall convey and transfer such property to the State.

HISTORY: 1962 Code Section 22‑351; 1952 Code Section 22‑351; 1942 Code Section 5794; 1932 Code Section 5794; Civ. C. ‘22 Section 2813; 1913 (28) 188; 1952 (47) 1875; 1969 (56) 444.

**SECTION 59‑123‑30.** Charter confirmed.

The charter of The Medical University of South Carolina is hereby confirmed and extended with all the rights and privileges granted heretofore by the original act of incorporation or by any subsequent extension of its charter.

HISTORY: 1962 Code Section 22‑352; 1952 Code Section 22‑352; 1942 Code Section 5795; 1932 Code Section 5795; Civ. C. ‘22 Section 2814; 1913 (28) 188; 1952 (47) 1875; 1969 (56) 444.

**SECTION 59‑123‑40.** Composition of board of trustees.

The management and control of the university shall be vested in a board of trustees, to be composed as follows: the Governor or his designee, ex officio, fourteen members to be elected by the General Assembly in joint assembly and one member to be appointed by the Governor. The Governor shall make the appointment based on merit regardless of race, color, creed, or gender and shall strive to assure that the membership of the board is representative of all citizens of the State of South Carolina.

HISTORY: 1962 Code Section 22‑353; 1952 Code Section 22‑353; 1942 Code Section 5796; 1932 Code Section 5796; Civ. C. ‘22 Section 2815; 1913 (28) 188; 1937 (40) 486; 1965 (54) 639; 1969 (56) 444; 1983 Act No. 130, Section 10; 1991 Act No. 248, Section 6; 2012 Act No. 176, Section 7, eff May 25, 2012.

Editor’s Note

2012 Act No. 176, Sections 18 and 19, provide as follows:

“SECTION 18. Notwithstanding any other provision of law to the contrary, any person elected or appointed to serve, or serving, as a member of any board or commission to represent a Congressional district, whose residency is transferred to another district by a change in the composition of the district, may serve, or continue to serve, the term of office for which he was elected or appointed; however, the appointing or electing authority shall appoint or elect an additional member on that board or commission from the district which loses a resident member as a result of the transfer to serve until the term of the transferred member expires. When a vacancy occurs in the district to which a member has been transferred, the vacancy must not be filled until the full term of the transferred member expires.

“SECTION 19. In the event that elections for incumbent university board of trustees’ seats whose terms are expiring this year are not held prior to June 30, 2012, current board members will retain their seats until the General Assembly reconvenes and holds elections.”

Effect of Amendment

The 2012 amendment substituted “fourteen” for “twelve”.

**SECTION 59‑123‑50.** Election of board members; terms.

The present members of the board of trustees shall continue to serve until July 1, 1966, at which time their terms shall terminate and the members of the board to succeed the present members, and to fill the additional membership provided in Section 59‑123‑40, must be elected at a joint session of the General Assembly on the following dates: On the first Wednesday in February 1966, members representing the medical profession (medical doctor, dentist, registered nurse, or licensed pharmacist) and on the second Wednesday in February 1966, lay members or nonmedical members. One member of the medical profession from each congressional district and one layman or member of a nonmedical profession from each congressional district must be elected. The terms of all members elected commence on July 1, 1966. Of those first elected, the member who represents the medical profession from the first, second, and third congressional districts and lay members or members of a nonmedical profession from the fourth, fifth, and sixth congressional districts must be elected for terms of four years or until their successors are elected and qualify. The member of the board of trustees who represents the medical profession from the fourth, fifth, and sixth congressional districts and the members who are laymen or members of nonmedical professions from the first, second, and third congressional districts must be elected for terms of two years or until their successors are elected and qualify. Effective July 1, 2012, the member who represents the medical profession from the seventh congressional district must be elected to a term of four years and the lay member or member of a nonmedical profession from the seventh congressional district must be elected for an initial term of two years. Their successors must be elected for terms of four years or until their successors are elected and qualify. After its 1984 session, the General Assembly shall elect successors to those members it elects not earlier than the first day of April for a term to begin the following July first. Elections to fill vacancies on the board which are caused by the death, resignation, or removal of an elective trustee may be held earlier than the first day of April of the year in which the unexpired term terminates, but the term of the person elected to succeed the member expires on the last day of June of the year in which the term of the former member would have expired. In electing members of the board, the General Assembly shall elect members based on merit regardless of race, color, creed, or gender and shall strive to assure that the membership of the board is representative of all citizens of the State of South Carolina.

The term of the at‑large trustee appointed by the Governor is effective upon certification to the Secretary of State and is four years. Any vacancy in the office of the member appointed by the Governor must be filled by appointment for the unexpired term in the same manner of original appointment. If the Governor chooses to designate a member to serve in his stead, as permitted by Section 59‑123‑40, the appointment is effective upon certification to the Secretary of State and shall continue, at the pleasure of the Governor making the appointment, so long as he continues to hold the specified office.

HISTORY: 1962 Code Section 22‑354; 1952 Code Section 22‑354; 1942 Code Section 5796; 1932 Code Section 5796; Civ. C. ‘22 Section 2815; 1913 (28) 188; 1937 (40) 486; 1965 (54) 639; 1983 Act No. 130, Section 11; 1983 Act No. 132, Section 8; 1984 Act No. 354, Section 6; 1991 Act No. 248, Section 6; 2012 Act No. 176, Section 8, eff May 25, 2012.

Editor’s Note

2012 Act No. 176, Sections 18 and 19, provide as follows:

“SECTION 18. Notwithstanding any other provision of law to the contrary, any person elected or appointed to serve, or serving, as a member of any board or commission to represent a Congressional district, whose residency is transferred to another district by a change in the composition of the district, may serve, or continue to serve, the term of office for which he was elected or appointed; however, the appointing or electing authority shall appoint or elect an additional member on that board or commission from the district which loses a resident member as a result of the transfer to serve until the term of the transferred member expires. When a vacancy occurs in the district to which a member has been transferred, the vacancy must not be filled until the full term of the transferred member expires.”

“SECTION 19. In the event that elections for incumbent university board of trustees’ seats whose terms are expiring this year are not held prior to June 30, 2012, current board members will retain their seats until the General Assembly reconvenes and holds elections.”

Effect of Amendment

The 2012 amendment inserted the sixth sentence relating to the seventh congressional district.

**SECTION 59‑123‑60.** Organization and powers of board; designation as Medical University Hospital Authority.

(A) The board of trustees shall elect one of its members to be chairman and is authorized to elect a university president, one or more vice presidents, and a secretary, prescribe their duties and terms of office, and fix their compensation. It shall elect teachers of professorial rank in the various colleges which make up the Medical University of South Carolina and other officers and employees as may be necessary for the proper conduct of the university and fix their compensation, the fees and charges of students, and the rules for the government of the university. The board of trustees also has the following powers:

(1) to make bylaws and regulations considered expedient for the management of its affairs and its own operations not inconsistent with the constitution and laws of this State or of the United States;

(2) to confer the appropriate degrees in medicine, dental medicine, pharmacy, nursing, health‑related professions, and graduate studies in related health fields upon students and other persons as in the opinion of the board of trustees may be qualified to receive them; and

(3) to make contracts and to have, to hold, to purchase, and to lease real estate and personal property for corporate purposes; and to sell and dispose of personal property and any buildings that are considered by it as surplus property or no longer needed and any buildings that it may need to do away with for the purpose of making room for other construction. These powers must be exercised in a manner consistent with the provisions of Chapter 35 of Title 11.

(B) All revenues of the Medical University of South Carolina, the Medical University Hospital, and any funds transferred to the Medical University from a practice plan must be expended for a public purpose as that purpose is defined in the applicable state law and regulations. For purposes of this subsection, and in addition to all other applicable laws and regulations, public purposes also do not include expenditures for purchasing gifts, making political or other contributions, and reimbursing officers’ and employees’ travel and subsistence expenses in excess of those authorized by law for state employees away from their job site on official business.

(C) The provisions of the Freedom of Information Act apply to the Medical University Hospital Authority, except that access is not allowed under this section to patient records or insurance information with respect to patients.

(D) Members of the Medical University Board, while serving as members of the hospital authority and the officers and employees of the hospital authority, shall be subject to applicable state ethics and accountability provisions of law.

(E) As shall be provided in an implementing resolution by the Board of Trustees of the Medical University of South Carolina, the Board of Trustees of the Medical University of South Carolina becomes the governing body of the Medical University hospitals, clinics, and other health care and related facilities (hereinafter ‘hospital’) as shall be determined from time to time by resolution of the board. Whenever the board functions in its capacity as the governing body of the hospital, the board of trustees is constituted and designated as the Medical University Hospital Authority, an agency of the State of South Carolina (hereinafter called authority). The board, as the governing body of the authority, has the powers granted the Board of Trustees of the Medical University of South Carolina under this chapter and the following powers:

(1) make and amend bylaws for its governance consistent with the purposes of this chapter;

(2) make bylaws for the management, regulation, and operation of the hospital;

(3)(a) make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes; and sell and dispose of personal property and any buildings that are considered by it as surplus property or no longer needed and any buildings that it may need to do away with for the purpose of making room for other construction. These contracts are exempt from the South Carolina Consolidated Procurement Code and Regulations, but the authority must adopt a procurement policy requiring competitive bidding for construction contracts, which must be filed with and approved by the State Fiscal Accountability Authority;

(b) sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate. These activities under this subitem are exempt from all regulations and general laws governing disposal of surplus government property. The proceeds derived from the lease of any real property, net of transaction costs and payment of any debts secured by such property, shall be remitted to the MUSC Board of Trustees to be used exclusively for the support of the Medical University. The proceeds derived from the disposition of any real property, net of transaction costs and payment of any debts secured by such property, shall be remitted to the MUSC Board of Trustees to be used exclusively for the support of the Medical University;

(c) make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority. Any guarantee or indebtedness of the authority shall not create an obligation of the State, nor shall such guarantee or indebtedness be considered a debt against the general revenue of the State;

(d) for the purpose of effectuating the provisions of subitem (c) above, utilize all provisions of the Hospital Revenue Bond Act. The issuance by the authority of any bonds, notes, or other obligations or indebtedness, except as provided in this subitem, shall be subject to the approval thereof by resolution of the State Fiscal Accountability Authority. Except for such approving resolution, the requirements of Section 44‑7‑1590 of the Hospital Revenue Bond Act shall be applicable to obligations issued by the authority. The authority may issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the authority preceding the fiscal year in which such obligations are issued;

(4) receive contributions, donations, and payments and invest and disburse its funds; provided, however, that these funds are funds which must be used for public purposes, and further, that the authority may not use or authorize the use of funds, property, or time to influence the outcome of an election;

(5) construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure;

(6) appoint such officers, employees, personnel, and agents of the authority and define such duties and fix their compensation in such manner as is necessary to carry out the authority’s activities and affairs; the policies of the authority’s personnel and employees are exempt from Department of Administration personnel policies and applicable laws; all personnel employed by the authority are exempt from the provisions of Article 5, Chapter 17 of Title 8, the State Employee Grievance Procedure, but the board shall adopt a grievance procedure substantially similar to the provisions of that article to govern personnel and employees of the authority, and this procedure must be filed with and approved by the State Department of Administration. All employees of the authority must be furnished a copy of this grievance procedure; all personnel employed by the authority are employees‑at‑will and are state employees for purposes of eligibility for participation in the South Carolina Retirement System, the State Health Insurance Group plans, and pursuant to the South Carolina Tort Claims Act;

(7) make pension payments to the South Carolina Retirement Systems on behalf of personnel or employees employed by the authority who qualify in the same manner as other state employees in the executive branch of government;

(8) pay contributions to the Office of Insurance Services for health and dental plans on behalf of personnel employed by the authority who qualify in the same manner as other state employees in the executive branch of government;

(9) receive, expend, and control under its own name and account any appropriated funds, federal funds, donations, and grants made available to the authority; provided, however, that these funds are funds which must be used for a public purpose, and further, that the authority may not use or authorize the use of funds, property, or time to influence the outcome of an election;

(10) conduct an annual fiscal audit by certified public accountants selected by the authority who shall review the accounts of the authority and report such findings of the audit to the Governor and the General Assembly in accordance with generally accepted auditing standards;

(11) prepare and submit an annual budget to the General Assembly and the Governor for review;

(12) establish management controls and staffing of personnel as the authority deems most appropriate for the prudent conduct of the activities and affairs of the hospital; provided, that they establish an internal audit function that would report directly to the authority;

(13) establish such not‑for‑profit corporations as the board considers necessary to assist the authority in carrying out its functions; provided, that any entity created pursuant to this subsection is considered to be an entity of the authority and subject to all laws and regulations applicable to the authority under this section. The formation of for‑profit corporations by the authority is strictly prohibited.

(F) Upon review of the audit report required in Section 59‑123‑60(E)(10), the legislature, by joint resolution, or the Governor, by Executive Order, may request audits to be completed by the State Auditors Office or the Legislative Audit Council. Based on the findings reported in the audit required in Section 59‑123‑60(E)(10) by the State Auditors Office or by the Legislative Audit Council, the legislature, by joint resolution, may require intervention by the State Fiscal Accountability Authority for the purposes of rectifying any material findings reflected in the audits.

(G) A member of the Medical University Board, an officer in the administration of the university, including deans of the various colleges, the President of the Medical University, or any other officer of the authority or any of its affiliates who have been found guilty of malfeasance, misfeasance, incompetence, absenteeism, conflict of interest, misconduct, persistent neglect of duty in office, or incapacity shall be subject to removal by the Governor upon any of the foregoing causes being made to appear to the satisfaction of the Governor. But before removing any such person, the Governor shall inform him in writing of the specific charges against him and give him an opportunity on reasonable notice to be heard. The Governor shall appoint a successor to fill the vacancy created by his removal. The successor appointed by the Governor is to serve in that position until a successor is elected and qualified in accordance with Section 59‑123‑50.

(H) The authority shall offer and provide to the Medical University of South Carolina the services necessary for the training and education of health professionals.

(I) Beginning in fiscal year 2000‑2001 state appropriations to the Medical University of South Carolina for support of the Medical University hospitals and clinics shall be redirected to the Department of Health and Human Services. These funds shall be used as match funds for the disproportionate share for the hospital’s federal program. Any excess funding may be used for hospital base rate increases. Beginning in fiscal year 2000‑2001 and in subsequent years, the Department of Health and Human Services shall pay to the Medical University of South Carolina Hospital Authority an amount equal to the amount appropriated for its disproportionate share to the Department of Health and Human Services. This payment shall be in addition to any other funds that are available to the authority from the Medicaid program inclusive of the disproportionate share for the hospital’s federal program. The authority shall continue to operate the hospital as a health provider for the citizens of South Carolina and the clinical site for the education and training programs of the Medical University of South Carolina.

(J) The board, as the governing body of the authority, shall adopt a written policy for the hospital for the expenditure of public funds. Public funds may be expended for events which recognize academic and research excellence and noteworthy accomplishments of members of the faculty and staff, students, and distinguished guests of the authority. Sources of the funds for these expenditures include only nonappropriated state funds. The expenditure of funds from these sources pursuant to the written policy of the board for the purpose stated in this section are considered to meet the public purpose test for expenditure of public funds.

(K) The authority and its permanent improvements and the financing thereof shall be exempt from the provisions of Chapter 47 of Title 2, and the leasing of property and the granting of easements and rights of way by the authority shall be exempt from the provisions of Sections 1‑11‑55, 1‑11‑56, 1‑11‑57(1), and 10‑1‑130.

(L) The authority and the board of trustees as the governing body of the authority shall succeed to all of the rights, duties, and obligations of the Medical University of South Carolina and the board of trustees, respectively, as owner and operator of the hospital. All property, real, personal, tangible, or intangible (including, without limitation, deposits, investments, and accounts receivable) of the Medical University relating to the hospital shall be and become the property of the authority. The Medical University and its officers are authorized to execute and deliver such instruments of conveyance or agreements as may be determined by the board to be necessary or useful to effect or evidence such transfer.”

HISTORY: 1962 Code Section 22‑355; 1952 Code Section 22‑355; 1942 Code Section 5796; 1932 Code Section 5796; Civ. C. ‘22 Section 2815; 1913 (28) 188; 1937 (40) 486; 1953 (48) 402; 1967 (55) 643; 1969 (56) 444; 1980 Act No. 302, Section 1; 1987 Act No. 13, Section 1; 1999 Act No. 100, Part II, Section 78; 1999 Act No. 116, Section 2; 2000 Act No. 264, Section 1.

Code Commissioner’s Note

This section was amended by 1999 Act No. 100, Part II, Section 78 and by 1999 Act No. 116, Section 2. The amendments were being read together at the direction of the Code Commissioner.

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑70.** Annual report of board.

The board of trustees shall meet annually at the call of the chairman of the board and at such meeting shall prepare and present to the General Assembly a report on the condition of the university and of their receipts and expenditures for the preceding year and shall also prepare for presentation to the General Assembly an estimate of the sum required for the maintenance of the university for the next succeeding year.

HISTORY: 1962 Code Section 22‑357; 1952 Code Section 22‑357; 1942 Code Section 5799; 1932 Code Section 5799; Civ. C. ‘22 Section 2818; 1913 (28) 188; 1953 (48) 402; 1969 (56) 444.

**SECTION 59‑123‑80.** Board authorized to grant rights‑of‑way for widening and extending streets; president authorized to sign necessary documents.

The board of trustees of The Medical University of South Carolina may grant rights‑of‑way, easements, or otherwise convey to the city council of Charleston such property as they deem necessary and required for the purpose of widening and extending streets through The Medical University land when it shall be to the advantage of The Medical University. The president of The Medical University may sign all documents necessary to complete the transactions herein provided for, after they have been approved in writing by the board of trustees in each such instance.

HISTORY: 1962 Code Section 22‑358; 1954 (48) 1714; 1969 (56) 444.

**SECTION 59‑123‑90.** Board vested with power of eminent domain.

The board of trustees of The Medical University of South Carolina is vested with the power of eminent domain. The authority granted in this section applies only to private lands. The lands condemned must be used by The Medical University in the performance of its functions in the acquisition, construction, and operation of facilities for the University. Any new construction undertaken by The Medical University within the corporate limits of the City of Charleston must be done in compliance with the parking regulations and ordinances of that city to the degree that the number of parking spaces required by the regulations and ordinances must be provided on Medical University property.

HISTORY: 1962 Code Section 22‑369; 1975 (59) 49; 1987 Act No. 173, Section 54.

**SECTION 59‑123‑95.** Board may borrow to purchase diagnostic and therapeutical equipment.

In order to raise moneys which are required to pay the cost of diagnostic and therapeutical equipment for use in the hospital operated by The Medical University of South Carolina (The Medical University), the Board of Trustees of the University with the approval of the State Fiscal Accountability Authority of South Carolina (the state board) may borrow such amounts as shall be required for such purposes. Not more than two million dollars of debt created pursuant to this section shall be outstanding at any time.

The borrowing authorized by this section shall be in the form of notes of The Medical University payable solely from charges for the service or use rendered by the equipment. Upon its acquisition, an appropriate schedule of charges shall be placed in effect and maintained. All moneys received from the charges shall be remitted to the State Treasurer and deposited in a special fund to be applied to the payment of the principal and interest on the notes. With the approval of the state board any surplus in such fund may be used as a revolving fund to purchase additional diagnostic and therapeutic equipment.

No note may be issued hereunder unless the use of its proceeds, its terms, its maturities and the service charge to be imposed for the use of the purchased equipment is approved by the state board.

The charges imposed by authority of this section shall be in addition to the “special charge” established and maintained pursuant to Section 14 of act 1654 of 1972 imposed to secure in part all Plant Improvement Bonds of The Medical University now or hereafter issued.

HISTORY: 1977 Act No. 219, Part II, Section 17; 1978 Act No. 644, Part II, Section 42.

Code Commissioner’s Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑100.** Rules governing admissions not changed.

Nothing contained in Sections 59‑111‑510 to 59‑111‑580 shall be construed to alter in any manner the law, rules or regulations governing admissions of students to The Medical University of South Carolina and all admissions of beneficiaries of scholarships under said sections shall be likewise subject to approval by the admitting authorities in the same manner as otherwise provided by law.

HISTORY: 1962 Code Section 22‑364; 1952 Code Section 22‑364; 1948 (45) 1966; 1952 (47) 1875; 1969 (56) 444.

**SECTION 59‑123‑110.** School of Dentistry established at Medical University.

In addition to the present facilities, activities and colleges of The Medical University of South Carolina, there is hereby created and established a four‑year college of dental medicine, to be located in Charleston, South Carolina, as a part of The Medical University, and to be known as the College of Dental Medicine of The Medical University of South Carolina; and the board of trustees of the University may commence operations of the college as soon as practicable.

HISTORY: 1962 Code Section 22‑365; 1953 (48) 320; 1969 (56) 444; 1980 Act No. 302, Section 2.

**SECTION 59‑123‑115.** Area Health Education Consortium; funding formula; expenditure of funds.

(A) The South Carolina Area Health Education Consortium shall be awarded funding for the Statewide Family Practice Residency System, the Graduate Doctor Education Program, and the Area Health Education Center Program based on the appropriate formula, as approved by the Area Health Education Consortium and the Commission on Higher Education, and the funding methodology shall be applied in a manner consistent with that of other state institutions of higher learning.

(B) Statewide Family Practice Residency System funds appropriated for faculty salaries, teaching services, and consultant fees may only be expended when these activities are accomplished for educational purposes in the family practice centers; however, the Medical University of South Carolina may expend these funds in hospital‑based clinical settings apart from the consortium hospital, when these settings are determined by the president of the Medical University of South Carolina, with approval of the Medical University board, to provide appropriate educational experience and opportunities to the family practice residents. These funds must not be transferred to any other program.

HISTORY: 1998 Act No. 419, Part II, Section 6A; 2008 Act No. 353, Section 2, Pt 3.A, eff July 1, 2009.

Effect of Amendment

The 2008 amendment designated subsection (A) and added subsection (B) relating to expenditure of funds appropriated for faculty salaries, teaching services, and consultant fees.

**SECTION 59‑123‑125.** Rural Physician Program; administration of funds; membership of managing board.

The funds appropriated to the Medical University of South Carolina for the “Rural Physician Program” shall be administered by the South Carolina Area Health Education Consortium physician recruitment office. The Medical University of South Carolina shall be responsible for the fiscal management of funds to ensure that state policies and guidelines are adhered to. A board is hereby created to manage and allocate these funds in the best interests of the citizens of South Carolina. The board shall be composed of the following: the Executive Director, or his designee, of the South Carolina Primary Care Association; the Dean, or his designee, of the University of South Carolina School of Medicine; the Executive Director, or his designee, of the South Carolina Medical Association; two representatives from rural health care settings, one to be appointed by the Chairman of the Senate Medical Affairs Committee and one to be appointed by the Chairman of the House Medical, Military, Public and Municipal Affairs Committee; the Commissioner, or his designee, of the Department of Health and Environmental Control; the Commissioner, or his designee, of the South Carolina Hospital Association; the Commissioner, or his designee, of the Commission on Higher Education; and the Director, or his designee, of the Department of Health and Human Services. The Chairman, with the concurrence of the board, shall appoint three at‑large members with two representing nursing and one representing allied health services in South Carolina.

HISTORY: 1998 Act No. 419, Part II, Section 5A.

**SECTION 59‑123‑210.** Additional student and faculty housing authorized from bond proceeds; refunding authorized.

The trustees are authorized to acquire additional student and faculty housing facilities and to improve and renovate existing student and faculty housing facilities to the extent they shall approve; and the proceeds of bonds authorized by Sections 59‑123‑210 through 59‑123‑320 are made available for that purpose. The trustees are also authorized to refund bonds that may from time to time be outstanding pursuant to Sections 59‑123‑210 through 59‑123‑320 by exchange or otherwise.

HISTORY: 1982 Act No. 392, Section 2.

**SECTION 59‑123‑220.** Trustees authorized to issue revenue bonds; limitation; refunding; use of proceeds and facilities.

Upon receiving the approval of the State Fiscal Accountability Authority or Department of Administration, as appropriate, and upon review of the Bond Review Committee created by Section 2‑47‑20, the trustees shall be permitted to issue, from time to time, revenue bonds or notes, provided that not more than ten million dollars of such obligations may be outstanding at any one time. The trustees are also hereby authorized to refund all or any part of any outstanding revenue bonds of the Medical University payable in whole or in part from the revenues also pledged to the payment of bonds issued pursuant to Sections 59‑123‑210 through 59‑123‑320 and which are outstanding on the occasion of any such refunding. So much of the proceeds of the loans herein authorized as shall not be required to retire outstanding bonds shall be used in the construction, reconstruction, and equipping of dormitories and buildings designed for student and faculty housing, and auxiliary and related facilities, to be located on lands owned by the Medical University. Such buildings, when constructed, shall be used for the purpose of providing housing, and auxiliary and related facilities, for students and faculty of the Medical University.

HISTORY: 1982 Act No. 392, Section 3.

Code Commissioner’s Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑230.** Bonds payable from net housing revenues.

All bonds issued pursuant to Sections 59‑123‑210 through 59‑123‑320 shall be payable from the net revenues derived by the Medical University from the rental of all dormitories, student dwelling quarters and facilities, houses, residences, apartment buildings, from time to time used or designed for use as student and faculty housing, and all furniture, furnishings and equipment therein, which are now owned by the Medical University, or which may hereafter be acquired by the Medical University for any of such purposes; provided, that the trustees may abandon the use of any portion of the facilities or sell or dispose of any portion of the facilities upon the receipt of a written recommendation by the chief financial officer of the Medical University and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate, and the Joint Bond Review Committee to the effect that such action will not adversely affect the ability of the Medical University to discharge its obligations to the holders of bonds issued pursuant to Sections 59‑123‑210 through 59‑123‑320 and upon such further conditions as shall be prescribed in the resolution of the trustees providing for the issuance of bonds. For purposes of Sections 59‑123‑210 through 59‑123‑320 the term “net revenues” shall mean that sum which remains from the gross revenues derived from the rental of housing facilities after deducting the amounts required in any given year for the operation and maintenance of such facilities.

HISTORY: 1982 Act No. 392, Section 4.

Code Commissioner’s Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑240.** Credit of state not to be pledged; trustees not liable on bonds.

The faith and credit of the State of South Carolina shall not be pledged for the payment of the principal and interest of such bonds, and there shall be on the face of each bond a statement plainly worded, to that effect. Neither the trustees nor any other person signing the bonds shall be personally liable therefor.

HISTORY: 1982 Act No. 392, Section 5.

**SECTION 59‑123‑250.** Resolutions for issuance of bonds; maturity; interest; denominations; redemption.

In order to avail themselves of the authorizations set forth in Sections 59‑123‑210 through 59‑123‑320, the trustees shall adopt resolutions providing for the issuance of bonds of the Medical University, within the limitations herein mentioned, which resolutions shall prescribe the tenor, terms, and conditions of such bonds. Such bonds shall be issued as serial bonds, maturing in equal or unequal amounts, at such times and on such occasions as the trustees shall determine. Provided, always, that the last maturing bonds of any issue shall be expressed to mature not later than forty years from their date, and the first maturing bonds of any issue, issued pursuant to this act, shall fall due within five years from their date. They shall bear such rates of interest, payable on such occasion, as the trustees shall prescribe, and the bonds shall be in such denominations, shall be payable in such medium of payment, and at such place as such resolutions shall prescribe. All bonds may be issued with a provision permitting their redemption on any interest payment date prior to their respective maturities as the trustees shall prescribe. Bonds made subject to redemption prior to their stated maturities may contain a provision requiring the payment of a premium for the privilege of exercising the right of redemption, in such amount or amounts as the trustees shall prescribe in the resolutions authorizing their issuance. All bonds subject to redemption shall contain a statement to that effect on the face of each bond. The resolutions authorizing their issuance shall contain provisions specifying the manner of call and the notice of call that must be given.

HISTORY: 1982 Act No. 392, Section 6.

**SECTION 59‑123‑260.** Form of bonds.

Such bonds may be in the form of negotiable coupon bonds, payable to bearer, with the privilege to the holder of having them registered on the books of a registrar to be named, and the principal thus made payable to the registered holder, unless the last registered transfer shall have been to bearer, upon such conditions as the trustees may prescribe, or such bonds may be issued as fully registered bonds. If issued as fully registered bonds, it may be provided that they may thereafter be converted into negotiable coupon bonds of the tenor described above.

HISTORY: 1982 Act No. 392, Section 7.

**SECTION 59‑123‑270.** Bonds and interest tax exempt.

The bonds authorized by Sections 59‑123‑210 through 59‑123‑320 and all interest to become due thereon shall be exempt from taxation in the State of South Carolina as provided in Section 12‑1‑60.

HISTORY: 1982 Act No. 392, Section 8.

**SECTION 59‑123‑280.** Bonds as legal investments for certain purchasers.

It shall be lawful for all executors, administrators, guardians, and fiduciaries, all sinking fund commissions, and the Public Employee Benefit Authority or the State Fiscal Accountability Authority as cotrustees of the South Carolina Retirement System, to invest any monies in their hands in such bonds.

HISTORY: 1982 Act No. 392, Section 9.

Code Commissioner’s Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑290.** Execution of bonds.

Such bonds and the coupons, if any, attached to such bonds, shall be executed in the name of the Medical University in such manner and by such persons as the trustees shall from time to time determine, and the seal of the Medical University shall be affixed to or impressed on each bond. Any coupons attached to such bonds shall be authenticated by the facsimile signature of one or more of the persons signing the bonds. The delivery of the bonds so executed shall be valid notwithstanding changes in officers or seal occurring after such execution.

HISTORY: 1982 Act No. 392, Section 10.

**SECTION 59‑123‑300.** Sale of bonds.

The bonds shall be disposed of in such manner as the trustees shall determine, except that no sale, privately negotiated without public advertisement, shall be made unless the approval of the State Fiscal Accountability Authority shall be obtained. If the trustees shall elect to sell the bonds at public sale, at least one advertisement thereof shall appear in some newspaper of general circulation in South Carolina not less than ten days prior to the occasion fixed for the opening of bids.

HISTORY: 1982 Act No. 392, Section 11.

Code Commissioner’s Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

**SECTION 59‑123‑310.** Powers and duties of trustees with respect to bonds.

To the end that the payment of the principal and interest of the bonds authorized hereby shall be adequately secured, the trustees shall be empowered in their discretion:

1. To issue bonds in such amount, within the limitations herein provided, as the trustees shall deem necessary, provided, that it shall be lawful for the trustees to use a portion of the principal proceeds derived from any sale of bonds, except bonds issued to effect refunding of outstanding bonds, to meet the payment of interest on such bonds for a period of one year, it being recognized by the General Assembly that until the facilities to be constructed with the proceeds of the loan shall be completed, an undue burden may be imposed upon then existing revenues.

2. To pledge the entire revenues specified in Section 59‑123‑230 for the payment of the principal of and interest on the bonds as they respectively mature.

3. To covenant that no housing facilities owned by the Medical University will be used free of charge, or to specify and limit the facilities which may be made use of free of charge.

4. To covenant to establish and maintain such system of rules as will insure the continuous use and occupancy of the facilities, whose revenues are pledged to secure any bonds.

5. To covenant that an adequate schedule of charges will be established and maintained for all the facilities, whose revenues shall be pledged to secure any bonds, to the extent necessary to produce sufficient revenues to:

(a) Pay the cost of operating and maintaining the facilities including the cost of fire, extended coverage and occupancy insurance;

(b) Pay the principal and interest of the bonds as they respectively become due;

(c) Create and at all times maintain an adequate Debt Service Reserve Fund to meet the payment of such principal and interest; and

(d) Create and at all times maintain an adequate reserve for contingencies, and for major repairs and replacement.

6. To covenant against the mortgaging or disposing of the facilities, whose revenues shall be pledged for the payment of such bonds, and against permitting or suffering any lien to be created thereon, equal or superior to the lien created for the benefit of such bonds; provided, always, that the trustees shall be empowered to discontinue the use of, or demolish, obsolete facilities and to reserve the right, under such terms as they shall prescribe, to issue additional bonds on a parity with the bonds authorized by Sections 59‑123‑210 through 59‑123‑320.

7. To covenant as to the use of the proceeds derived from the sale of any bonds issued pursuant to Sections 59‑123‑210 through 59‑123‑320.

8. To provide for the terms, form, registration, exchange, execution, and authentication of bonds, and for the replacement of lost, destroyed, or mutilated bonds.

9. To make covenants with respect to the use of facilities to be constructed with the proceeds of the bonds authorized hereby, and of the other facilities, whose revenues shall be pledged for the payment of the bonds.

10. To covenant that all revenues pledged for the payment of the bonds shall be duly segregated into special funds, and that such funds will be used solely for the purposes for which they are intended and for no other purpose.

11. To covenant for the mandatory redemption of bonds on such terms and conditions as the resolutions authorizing such bonds shall prescribe.

12. To prescribe the procedure, if any, by which the terms of the contract with the bondholders may be amended, the number of bonds whose holders must consent thereto, and the manner in which such consent shall be given.

13. To covenant as to the maintenance of the facilities, whose revenues shall be pledged for the payment of the bonds, the insurance to be carried thereon, and the use and disposition of proceeds from any insurance policy.

14. To prescribe the events of default and the terms and conditions upon which all or any bonds shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

15. To impose a statutory lien upon the facilities, whose revenues shall be pledged to secure the bonds. Such lien shall extend to such facilities, to their appurtenances and extensions, to their additions, improvements, and enlargements to the extent specified in the resolutions and shall insure to the benefit of the holders of the bonds secured thereby. Such facilities shall remain subject to such statutory lien until the payment in full of the principal and interest of the bonds. Any holder of any of the bonds, or any of the coupons representing interest thereon, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce the statutory lien, and may, by suit, action, mandamus, or other proceedings enforce and compel performance of all duties of the trustees, including the fixing of sufficient rates, the proper segregation of the revenues, and the proper application thereof. Provided, however, that the statutory lien shall not be construed to give any such bond or coupon holder authority to compel the sale of any of the facilities, or any part thereof.

16. To covenant that if there be any default in the payment of the principal of or interest upon any of the bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the facilities, whose revenues shall be pledged for the payment of such bonds, with power to fix rates and charges for the facilities, sufficient to provide for the payment of the expense of operating and maintaining such facilities, and to apply the income and revenues of such facilities to the payment of such bonds, and the interest thereon.

17. To establish on or before the occasion of the delivery of any bonds issued pursuant to Sections 59‑123‑210 through 59‑123‑320 a debt service reserve fund and to cause the same to be deposited with a corporate trustee and, to that end, the trustees shall be empowered to utilize any monies available for such purpose, including revenues previously accumulated from the facilities prior to the issuance of bonds.

HISTORY: 1982 Act No. 392, Section 12.

**SECTION 59‑123‑320.** No time limit on issuance of bonds.

The authorizations granted by Sections 59‑123‑210 through 59‑123‑320 shall remain in full force and effect until they shall be rescinded by subsequent enactment, and no time limit is set for the issuance of bonds pursuant to Sections 59‑123‑210 through 59‑123‑320.

HISTORY: 1982 Act No. 392, Section 13.