

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House
Passed Senate
Failed to Pass Senate

House File 369

February 25, 1947.
Public Health.

By HENDRIX (Lord).

A BILL FOR

An Act authorizing counties to establish and provide county hospital facilities; to issue revenue bonds in connection therewith; providing for a board of hospital trustees to operate each such hospital and authorizing the use of county funds and the levy of county taxes to meet any deficiency of available revenues to pay operating and maintenance expenses of such county hospitals.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Any county in the state of Iowa is hereby
2 authorized and empowered to acquire, construct, equip,
3 operate and maintain a county hospital and, for the
4 purpose of acquiring, constructing, equipping, enlarging
5 or improving any such county hospital and acquiring the
6 necessary lands, rights of way and other property necessary
7 therefor, may issue revenue bonds all as in this act
8 provided. All contracts for construction work of such
9 county hospital shall be awarded by the board of supervisors
10 on competitive bidding following such advertisement as may
11 be prescribed by such board. The administration and
12 management of any county hospital acquired, constructed,
13 equipped, enlarged or improved under this act shall be

14 vested in a board of hospital trustees consisting of
15 five qualified voters of the county appointed by the
16 board of supervisors of such county but no elected
17 officer or employee of the county shall be eligible to
18 appointment until at least one year after holding such
19 office or employment, and not more than two members of
20 the board shall be residents of the same township.
21 Such appointments shall be made in the first instance
22 for terms of one, two, three, four and five years,
23 respectively, from the next succeeding first day of
24 July, and thereafter as the terms expire the appointments
25 shall be made in like manner for terms of five years,
26 provided, that vacancies shall be filled for only the
27 unexpired term. The members of such board of hospital
28 trustees shall receive no compensation but shall be
29 reimbursed for all expenses incurred by them with the
30 approval of said board in the performance of their duties.
31 In making appointments to the board of hospital trustees
32 the board of supervisors shall give due consideration to
33 recommendations of any county medical or physicians'
34 organization, and a particular effort shall be made in
35 making such appointments to provide a nonpartisan board.
36 The board first appointed shall organize promptly
37 following their appointment, and thereafter during the
38 month of July of each year the board shall reorganize
39 by the appointment of a chairman and a secretary. The

40 county treasurer shall be ex officio treasurer of the
41 board of hospital trustees. The board of hospital
42 trustees may employ, fix the compensation and remove
43 at pleasure professional, technical and other employees,
44 skilled or unskilled, as it may deem necessary for the
45 operation and maintenance of the hospital, and
46 disbursement of funds in such operation and maintenance
47 shall be made upon order and approval of the board of
48 hospital trustees. A county hospital may include a
49 nurses home and nurses training school. The board of
50 trustees shall make all rules and regulations governing
51 its meetings and the operation of the county hospital and
52 shall fix rates, fees and charges for the services thereby
53 furnished so that the revenues will be at all times
54 sufficient in the aggregate to provide for the payment
55 of the interest on and principal of all bonds that may
56 be issued and outstanding under the provisions of this
57 act, and for the payment of all operating and maintenance
58 expenses of the hospital.

1 Sec. 2. For the purpose of acquiring, constructing,
2 equipping, enlarging or improving such hospital or any
3 part thereof, any such county may, pursuant to resolution
4 of the board of supervisors of such county, from time
5 to time issue and dispose of its negotiable interest-
6 bearing revenue bonds payable solely as to both principle
7 and interest from the revenue to be derived from the

8 operation of such hospital. All such bonds may bear
9 such date or dates, may mature at such time or times
10 not exceeding thirty years from their respective dates,
11 may bear interest at such rate or rates not exceeding
12 five per cent per annum payable semi-annually, may be in
13 such form and payable at such place or places, and may
14 be subject to such redemption privileges as is stated on
15 the face thereof and as may be provided in such resolution.
16 Under no circumstances shall any bonds issued under the
17 provisions of this act be or become an indebtedness of
18 the county within the purview of any constitutional or
19 statutory limitation or provision, and it shall be
20 plainly stated on the face of each bond that it does not
21 constitute such an indebtedness, but is payable solely
22 from the revenues as aforesaid. All such bonds shall be
23 sold in such manner and upon such terms as is prescribed
24 by the resolution authorizing the issuance thereof,
25 provided, that no bonds shall be sold upon terms that
26 will result in an interest cost computed to maturity of
27 the bonds according to standard tables of bond values of
28 more than five per cent per annum. The resolution
29 authorizing such revenue bonds may contain such covenants
30 as are determined by the board of supervisors to be
31 desirable in connection with the use and application
32 of the bond proceeds, the operation of the county
33 hospital and the custody and application of the revenues

34 from such operation. The sole remedy for any breach or
35 default of the terms of any such bonds or proceedings
36 for their issuance shall be by mandamus in a court of
37 competent jurisdiction to compel performance and compliance
38 therewith.

1 Sec. 3. In the event the revenue of a county
2 hospital acquired or constructed and operated and
3 maintained under the provisions of this act be insufficient
4 in any year to provide for the payment of the interest
5 on and principal of any revenue bonds issued and
6 outstanding hereunder and to pay the expenses of operation
7 and maintenance of the county hospital, the board of
8 hospital trustees shall certify that fact as soon as
9 ascertained to the board of supervisors of such county,
10 and thereupon it shall be the duty of such board of
11 supervisors to make the amount of such deficiency available
12 from other county funds or, the board of supervisors of
13 such county shall levy a tax on all the taxable property
14 in said county in an amount sufficient for that purpose ;
15 provided, however, that no general county funds or
16 proceeds of any taxes shall ever be used or applied to the
17 payment of any of the interest on or principal of any bonds
18 issued under the provisions of this act.

1 Sec. 4. This act shall be construed as providing an
2 alternative and independent method for the acquisition,
3 construction, equipment, enlargement, improvement, operation

4 and maintenance of a county hospital, and for the issuance
5 and sale of revenue bonds in connection therewith, and
6 shall not be construed as an amendment of or subject to
7 the provisions of any other law.

1 Sec. 5. This act, being deemed of immediate
2 importance, shall be in full force and effect from and
3 after its publication in The Muscatine Journal and News
4 Tribune, a newspaper published at Muscatine, Iowa, and
5 in the Wilton Advocate, a newspaper published at Wilton
6 Junction, Iowa.

EXPLANATION OF H. F. 369

The present county hospital law is inadequate to meet the needs of some communities and does not provide an adequate bonding capacity for counties in the erection of hospitals. This bill would give counties an opportunity to issue revenue bonds which are self liquidating and not payable by taxation. This type of bond does not affect the debt limitation of a county and leaves it in a position to issue bonds for its other needs. The bonds issued under this act cannot be paid out of county funds or taxes but must be paid out of income and profits of such hospitals.