

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

Senate File 326

February 24, 1947.
Passed on File.

By LORD (Hendrix).

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

14 under this act shall be vested in a board of hospital
15 trustees consisting of five qualified voters of the
16 county appointed by the board of supervisors of such
17 county but no elected officer or employee of the
18 county shall be eligible to appointment until at least
19 one year after holding such office or employment,
20 and no more than two members of the board shall be
21 residents of the same township. Such appointments
22 shall be made in the first instance for terms of one,
23 two, three, four and five years, respectively, from
24 the next succeeding first day of July, and thereafter
25 as the terms expire the appointments shall be made in
26 like manner for terms of five years, provided, that
27 vacancies shall be filled for only the unexpired term.
28 The members of such board of hospital trustees shall
29 receive no compensation but shall be reimbursed for
30 all expenses incurred by them with the approval of
31 said board in the performance of their duties. In
32 making appointments to the board of hospital trustees
33 the board of supervisors shall give due consideration
34 to recommendations of any county medical or physicians'
35 organization, and a particular effort shall be made
36 in making such appointments to provide a nonpartisan
37 board. The board first appointed shall organize promptly
38 following their appointment, and thereafter during the
39 month of July of each year the board shall reorganize

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

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

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

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

1 Sec. 4. This act shall be construed as providing
2 an alternative and independent method for the acquisition,

3 construction, equipment, enlargement, improvement,
4 operation and maintenance of a county hospital, and for
5 the issuance and sale of revenue bonds in connection
6 therewith, and shall not be construed as an amendment of
7 or subject to 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 in
5 the Wilton Advocate, a newspaper published at Wilton
6 Junction, Iowa.