

April 18, 1957.
Sifting Committee.

House File 588
By TAX REVISION COMMITTEE.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to enable counties to establish and operate nursing homes for the aged.

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

1 Section 1. Any county is hereby authorized and empowered
2 to acquire, construct, equip, improve, enlarge, operate and
3 maintain a nursing home where care including board, room,
4 skilled nursing care and related medical services, and other
5 services and facilities necessary or convenient thereto are
6 provided for persons over the age of sixty-five (65) years, or
7 disabled persons of any age who are residents of such county
8 and are not acutely ill and are not in need of hospital care,
9 but who by reason of age, illness, disease, injury,
10 convalescence or physical or mental infirmity are in need of
11 such care.

1 Sec. 2. All contracts for the construction of such homes
2 shall be awarded by the board of supervisors on competitive
3 bids following advertisement each week for a period of three
4 (3) weeks in a newspaper of such county. No such contracts
5 shall be let until the plans, specifications, and location
6 for such nursing home shall have been submitted to and
7 approved by both the state department of health and the state
8 fire marshal as meeting all standards relating to nursing
9 homes as promulgated by the respective departments.

1 Sec. 3. The administration and management of such home

2 shall be vested in a board of trustees of seven (7) members.
3 The members of the board shall be appointed by the board of
4 supervisors. Three (3) of the members of the original board
5 shall be appointed for terms of two (2) years, two (2) for
6 terms of four (4) years, and two (2) for terms of six (6)
7 years. The terms of their successors shall be for six (6)
8 years and until their successors have qualified. At all times,
9 one (1) member of the board shall be a physician or registered
10 nurse and one (1) shall be an attorney. No more than two (2)
11 of the members of the board shall be residents of the same
12 township. Vacancies on the board shall be filled for the
13 unexpired term in the same manner as original appointments.

1 Sec. 4. Trustees shall within ten (10) days of their
2 appointment qualify by taking the usual oath of office, but
3 no bond shall be required of them. They shall receive no
4 compensation, but shall be reimbursed for all expenses incurred
5 by them in the performance of their duties. The board first
6 appointed shall organize promptly following their appointment.
7 During the same month of each year thereafter, the board shall
8 reorganize by election of a chairman and secretary by the
9 members of the board. The county treasurer shall be ex officio
10 treasurer of the board of trustees.

1 Sec. 5. The board of trustees shall be charged with the
2 administration and management of the home for the aged and may
3 employ, fix the compensation for, and remove at their pleasure
4 professional, technical or other employees as may be necessary
5 for the operation and maintenance of the home. They shall make
6 all rules and regulations for the operation of the home and for
7 the admission of residents thereto. They shall fix rates to

8 be charged residents of the home so that the revenue at all
9 times shall be sufficient in the aggregate to provide for the
10 payment of the interest on and principal of all bonds that may
11 be issued and outstanding under the provisions of this Act or
12 other loans that may be made for the purpose of establishing
13 and constructing a home for the aged or any additions or
14 improvements thereto.

1 Sec. 6. For the purpose of acquiring, constructing,
2 equipping, enlarging or improving such home or any part thereof,
3 any such county may, pursuant to resolution of the board of
4 supervisors of such county, from time to time issue and dispose
5 of its negotiable interest-bearing revenue bonds or otherwise
6 borrow money payable solely as to both principal and interest
7 from the revenues to be derived from the operation of such home.
8 The board of supervisors may also accept and expend any grants
9 or gifts, including federal grants, for any purpose for which
10 such bonds may be issued and the proceeds expended, provided
11 that any conditions or restrictions upon such grants or gifts
12 do not conflict with this Act. Any such bonds or other loan
13 and the evidence of indebtedness issued therefor may bear such
14 date or dates, may mature at such time or times not exceeding
15 thirty (30) years from their respective dates, may bear interest
16 at such rate or rates not exceeding five (5) percent per annum
17 payable semiannually, may be in such form and payable at such
18 place or places, and may be subject to such redemption
19 privileges as is stated on the face thereof or evidence of
20 indebtedness therefor and as may be provided in such resolution.
21 After a resolution authorizing such revenue bonds or other
22 manner of borrowing money has been adopted, the county auditor

23 shall publish notice of such adoption in at least one (1)
24 newspaper of general circulation in the county at least once
25 each week for two (2) consecutive weeks. Such notice shall
26 identify the resolution by the date of its adoption and shall
27 specify the amount of bonds proposed to be issued or the amount
28 of money proposed to be borrowed.

1 Sec. 7. If, within twenty (20) days following the date of
2 the first publication of such notice, a petition for an
3 election is filed with the county auditor signed by qualified
4 voters of said county in number equal to or exceeding twenty
5 (20) percent of the total number of votes cast in such county
6 for governor at the last preceding regular election whereat a
7 governor was elected, then the bonds authorized by such resolution
8 shall not be issued or the money so authorized to be borrowed
9 shall not be borrowed unless and until the proposition for same
10 shall have been submitted at an election through the county
11 and approved by not less than fifty (50) percent of the votes
12 cast for and against the proposition. When any such petition
13 is filed, it shall be referred to the board of supervisors at
14 its next meeting and thereupon the board of supervisors may
15 either repeal the bond or loan resolution or order the election
16 which shall be called and conducted in the manner provided by
17 chapter three hundred forty-five (345) of the Code. If there
18 be no petition filed within the time hereinbefore provided or
19 if there be a petition filed and the proposition of issuing
20 such bonds or borrowing such money is approved at such election,
21 then the board of supervisors may proceed with the acquisition,
22 construction, equipment, operation and maintenance of the
23 county hospital and the issuance of bonds or other borrowing

24 of money, all as provided for and permitted by this chapter.

1 Sec. 8. Under no circumstances shall any bonds issued or
2 money borrowed under the provisions of this chapter be or
3 become an indebtedness of the county within the purview of any
4 constitutional or statutory limitation or provision. It shall
5 be plainly stated on the face of each bond or other evidence of
6 indebtedness that it does not constitute such an indebtedness,
7 but is payable solely from the revenues as aforesaid. All
8 money shall be borrowed or such bonds shall be sold in such
9 manner and upon such terms as is prescribed by the resolution
10 authorizing the issuance thereof, provided, that no bonds shall
11 be sold or money so borrowed upon terms that will result in an
12 interest cost computed to maturity according to standard tables
13 of more than five (5) percent per annum. The resolution
14 authorizing such revenue bonds or borrowing of money may
15 contain such covenants as are determined by the board of
16 supervisors to be desirable in connection with the use and
17 application of the bonds or loan proceeds, the operation of
18 the nursing home and the custody and application of the
19 revenues from such operation. The sole remedy for any breach
20 or default of the terms of any loan or such bonds or
21 proceedings for their issuance shall be by mandamus in a court
22 of competent jurisdiction to compel performance and compliance
23 therewith.

1 Sec. 9. If in any year, after payment of the accruing
2 interest and principal due on any loan made or any revenue
3 bonds issued hereunder from the revenues derived from the
4 operation of such home, there be a balance of such revenues
5 insufficient to pay the expenses of operation and maintenance

6 of the nursing home, the board of hospital trustees shall
7 certify that fact as soon as ascertained to the board of
8 supervisors of such county, and thereupon it shall be the duty
9 of such board of supervisors to make the amount of such
10 deficiency for paying the expenses of operation and maintenance
11 of the nursing home available from other county funds, or the
12 board of supervisors of such county shall levy a tax not to
13 exceed four (4) mills in any one (1) year on all the taxable
14 property in said county in an amount sufficient for that
15 purpose. No general county funds or the proceeds of any taxes
16 shall ever be used or applied to the payment of the interest
17 on or principal of any bonds issued under the provisions of
18 this chapter, but such general county funds or proceeds of
19 taxes may only be used and applied to pay such expenses of
20 operation and maintenance of the nursing home as cannot be
21 paid from available revenue derived from such operation.

1 Sec. 10. A county nursing home established and operated
2 under the provisions of this Act shall be subject to all laws
3 of the state regarding the licensing and regulation of nursing
4 homes and minimum standards required for such homes.

1 Sec. 11. A person otherwise eligible to receive old age
2 assistance under the provisions of chapter two hundred
3 forty-nine (249) of the Code shall not become ineligible for
4 such assistance by virtue of residence in a county nursing
5 home established under the provisions of this Act.

1 Sec. 12. No person shall be refused admittance to a county
2 nursing home or required to move therefrom because of inability
3 to pay in full such rates as are charged residents of the home.
4 Such a person shall be charged such portion of such rate as

5 the trustees shall find reasonable and equitable to all parties
6 concerned. In making such a determination, the trustees shall
7 consider all income, property and other financial resources of
8 such person and such trustees may require such person, as a
9 condition to residence at a partial rate, to sell or otherwise
10 convert such property into cash so as to pay the full rate in
11 so far or so long as may be equitable.

1 Sec. 13. Section two hundred forty-nine point thirty-one
2 (249.31), Code 1954, is hereby amended by inserting in line
3 four (4) after the word, "supported," the words, "or county
4 nursing home operated under the provisions of this Act".

1 Sec. 14. Section two hundred forty-nine point six (249.6),
2 subsection nine (9), Code 1954, is hereby amended by adding
3 at the end thereof the following new sentence: "Provided, however,
4 that residence in a county nursing home operated under the
5 provisions of this Act shall not bar a person from receiving
6 old age assistance."

1 Sec. 15. Section two hundred forty-nine point twenty-eight
2 (249.28), Code 1954, is hereby amended by adding the following:
3 "This section shall not be deemed to authorize cancellation
4 of the certificate of a recipient who is a resident of a
5 county nursing home operated under the provisions of this
6 Act and who because of financial inability is being charged
7 only a portion of the regular rate for residents of such
8 homes."

1 Sec. 16. Section two hundred forty-nine point twenty-nine
2 (249.29), Code 1954, is hereby amended by adding the following:
3 "This section shall not be construed to include residence
4 in a county nursing home operated under the provisions of this

- 5 Act, including residence at partial rates because of financial
- 6 inability, as being other assistance and so bar the receipt of
- 7 old age assistance."

EXPLANATION OF HOUSE FILE 588

The purpose of this bill is to establish homes for our convalescent and aged people who are now resident in over 1,600 privately operated and custodial homes in the state. Many of these private nursing and rest homes are very well operated—many are not and through the operations of this statute perhaps local units of government could alleviate many deplorable conditions.