

CHAPTER 145A

AREA HOSPITALS

Referred to in [§21.5](#), [§97B.52A](#), [§331.361](#), [§331.382](#), [§347.14](#), [§347.25](#), [§476B.1](#)

Consolidation of hospital service; see chapter 348

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145A.1 Consolidation for purpose.

Any of the political subdivisions of this state may consolidate to acquire and operate an area hospital for the purpose of providing hospital service for all residents of such area.

[C71, 73, 75, 77, 79, 81, §145A.1]

145A.2 Definitions.

As used in [this chapter](#), unless the context indicates otherwise:

1. “*Area hospital*” means a hospital established and operated by a merged area.
2. “*Board*” means the board of trustees of an area hospital.
3. “*Merged area*” means a public corporation formed by the residents of two or more contiguous or noncontiguous political subdivisions which have merged resources to establish and operate an area hospital.

4. “*Officials*” means the respective governing bodies of political subdivisions.

5. “*Political subdivision*” means any county, township, school district or city.

[C71, 73, 75, 77, 79, 81, §145A.2]

[85 Acts, ch 123, §1, 2](#)

145A.3 Official planning — maximum levy.

The officials of a political subdivision may plan the formation of a public corporation as a merged area to establish and operate an area hospital. In planning for an area hospital, a county board of supervisors may exclude from the merged area any township of the county which the board of supervisors determines would not sufficiently benefit by the merger and the portion of the county not so excluded shall constitute one public corporation for the purposes of [this chapter](#). Plans for an area hospital shall include the maximum amount to be levied for debt service and operation and maintenance of the area hospital in the portion of the merged area within each political subdivision taking part in the merger. However, the maximum tax rates for the various political subdivisions may vary as the officials determine, based upon the need for hospital service of the residents of each political subdivision, the proximity of the residents to the proposed location of the hospital, the property values within the subdivision, and the expected service benefits to the residents of each subdivision by the proposed area hospital.

[C71, 73, 75, 77, 79, 81, §145A.3]

[85 Acts, ch 123, §3](#)

145A.4 Plans.

Officials of the various subdivisions may expend public funds for the purpose of formulating plans and in carrying out plans for a merged area and may arrive at an equitable distribution of costs to be paid by each participating political subdivision.

[C71, 73, 75, 77, 79, 81, §145A.4]

145A.5 Order of approval.

When a plan is approved, the officials approving the plan shall jointly issue an order of approval. The order shall specify the area to be merged, the maximum rate of tax to be levied for debt service and operation and maintenance of the proposed area hospital in the portion of the merged area within each political subdivision, the proposed location of the hospital building, the estimated cost of the establishment of the hospital, and any other details concerning the establishment and operation of the hospital the officials deem pertinent. The order shall be published in one or more newspapers which have general circulation within the merged area once each week for three consecutive weeks, but the newspapers selected need not be published in the merged area. The published order shall contain a notice to the residents of each subdivision of the proposed merged area that if the residents fail to protest as provided in [this chapter](#), the order shall be deemed approved upon the expiration of a sixty-day period following the date of the last published notice.

[C71, 73, 75, 77, 79, 81, §145A.5]

[85 Acts, ch 123, §4](#)

145A.6 Petition of protest.

The plans formulated for the area hospital shall be deemed approved unless, within sixty days after the third and final publication of the order, a petition protesting the proposed plan containing the signatures of at least five percent of the registered voters of any political subdivision within the proposed merged area is filed with the respective officials of the protesting petitioners.

[C71, 73, 75, 77, 79, 81, §145A.6]

[2001 Acts, ch 56, §8](#)

145A.7 Special election.

When a protesting petition is received, the officials receiving the petition shall call a special election of all registered voters of that political subdivision upon the question of approving or rejecting the order setting out the proposed merger plan. The election shall be held on a date specified in [section 39.2, subsection 4](#), paragraph “a” or “b”, as applicable. The vote will be taken by ballot in the form provided by [sections 49.43 to 49.47](#), and the election shall be initiated and held as provided in [chapter 49](#). A majority vote of those registered voters voting at the special election shall be sufficient to approve the order and thus include the political subdivision within the merged area.

[C71, 73, 75, 77, 79, 81, §145A.7]

[2001 Acts, ch 56, §9](#); [2008 Acts, ch 1115, §31, 71](#)

145A.8 Effect on other subdivisions.

A protest petition filed in one political subdivision shall have no effect upon the other political subdivisions of the proposed merged area; and in the portion of the proposed area where no protest petition is filed within sixty days after the last published notice, the residents of that portion of the area shall be deemed to have approved the proposed plan, and shall not take part in any special election.

[C71, 73, 75, 77, 79, 81, §145A.8]

145A.9 Continuance or abandonment.

If the voters at the special election approve by a majority vote the proposed plan, then the plan may be carried out as originally proposed. However, if the voters of any political

subdivision within the proposed area reject the plan as set out in the original order, then said original order shall be wholly nullified.

[C71, 73, 75, 77, 79, 81, §145A.9]

145A.10 Board of hospital trustees.

Upon acceptance of a plan, the officials of the merged area acting as a committee of the whole shall appoint a board of hospital trustees. The board of trustees shall then meet, elect a chairperson and adopt such rules for the organization of the board as may be necessary. The number and composition of the board shall be determined by the committee appointing the board; but as a matter of public policy the committee is directed to apportion the board into area districts in such a way that the residents of all of the merged area will be represented as nearly equally as possible on the board.

[C71, 73, 75, 77, 79, 81, §145A.10]

145A.11 Terms of members.

The terms of members of the board shall be four years, except that members of the initial board shall determine their respective terms by lot so that the terms of one-half of the members, as nearly as may be, shall expire at the next general election. The remaining initial terms shall expire at the following general election. The successors of the initial board shall be chosen from area districts at regular elections, and shall be nominated and elected in the same manner as county hospital trustees as provided in [section 347.25](#), except that nomination papers on behalf of a candidate shall be signed by not less than twenty-five eligible electors from the area district.

[C71, 73, 75, 77, 79, 81, §145A.11]

145A.12 Operation and management.

The board shall govern the operation and management of the area hospital and may do all things necessary to establish and operate the hospital. The board has all the general powers, duties, and responsibilities of the trustees of county public hospitals as set out in [sections 347.13](#) and [347.14](#) and may enter into contracts for the operation and management of area hospital facilities.

[C71, 73, 75, 77, 79, 81, §145A.12]

[85 Acts, ch 123, §5](#)

145A.13 Political status.

A merged area as a public corporation formed under [this chapter](#) may exercise the powers granted under [this chapter](#), and may sue and be sued, purchase and sell property, incur indebtedness in accordance with constitutional limitations, and exercise all the powers granted by law and other powers incident to public corporations of like character and not inconsistent with the laws of this state.

[C71, 73, 75, 77, 79, 81, §145A.13]

[85 Acts, ch 123, §6](#)

145A.14 Budget for operation.

The board shall prepare an annual budget designating the proposed expenditures for operation of the area hospital and payment of bonded indebtedness, and the amount to be raised by taxation, following the requirements of [chapter 24](#). The board shall prorate the amount to be raised for operations by local taxation among the respective political subdivisions forming a part of the merged area in the proportion that the product of the value of taxable property and the maximum tax levy rate in each political subdivision bears to the total product of the value of taxable property and the maximum tax levy rate in the entire merged area, as set out in the published order of merger. The board of hospital trustees shall certify the amount so determined to the respective levying officials of the affected counties, and the officials shall levy a tax sufficient to raise the annual budget. Taxes collected

pursuant to the levy shall be paid by the respective county treasurers to the treasurer of the area hospital in the same manner that school taxes are paid to local school districts.

[C71, 73, 75, 77, 79, 81, §145A.14]

[85 Acts, ch 123, §7](#)

145A.15 Treasurer of hospital.

If the area hospital is located within the corporate limits of any city, the city treasurer shall act as treasurer of the area hospital; and if the area hospital is located outside the limits of any city, the county treasurer shall act as the treasurer of the area hospital; provided, however, the board may appoint some other person to serve as treasurer. The board may require that the treasurer furnish appropriate bond for faithful performance of the treasurer's duties.

[C71, 73, 75, 77, 79, 81, §145A.15]

145A.16 Funds to aid hospital.

In addition to revenue derived by tax levy, the board of hospital trustees of a merged area shall be authorized to receive and expend:

1. Federal funds which may be available by federal laws, rules and regulations.
2. State aid which may be available by state laws and rules.
3. Fees and expenses charged to persons using the facilities of the hospital.
4. Donations and gifts which may be accepted by the hospital trustees and expended in accordance with the terms of the gift without compliance with the local budget law, [chapter 24](#).

[C71, 73, 75, 77, 79, 81, §145A.16]

[2004 Acts, ch 1086, §41](#)

145A.17 Indebtedness and bonds.

Boards of hospital trustees may by resolution acquire sites and buildings by purchase, lease, construction, or otherwise, for use by area hospitals and may by resolution contract indebtedness on behalf of the merged area and issue bonds bearing interest at a rate not exceeding the rate of interest permitted by [chapter 74A](#), to raise funds in accordance with [chapter 75](#) for the purpose of acquiring the sites and buildings.

[C71, 73, 75, 77, 79, 81, §145A.17]

[85 Acts, ch 123, §8](#)

145A.18 Taxes.

Taxes for the payment of bonds issued under [section 145A.17](#) shall be levied in accordance with [chapter 76](#) and in the same proportion as provided in [section 145A.14](#). Any indebtedness incurred shall not be considered an indebtedness incurred for general and ordinary purposes.

[C71, 73, 75, 77, 79, 81, §145A.18]

[85 Acts, ch 123, §9](#)

145A.19 Special tax.

In addition to the tax authorized in connection with the annual budget and with the issuance of bonds, the voters in any merged area may at any regular election vote a special tax for a period not to exceed five years for the purchase of grounds, purchase or construction of buildings, purchase of equipment, and for the purpose of maintaining, remodeling, improving, or expanding the hospital area. Such a tax shall not exceed one-fourth of the maximum levy of each political subdivision as set out in the published order of merger, but the total tax levy for annual budget, bonds, and special purposes shall not exceed the maximum levy as proposed in the published order of merger.

[C71, 73, 75, 77, 79, 81, §145A.19]

145A.20 Revenue bonds.

In addition to any other provisions of [this chapter](#) and for the purpose of acquiring, constructing, equipping, enlarging, or improving a hospital building or any part of a hospital building, merged areas may issue revenue bonds and the board has all the powers and duties

of a county board of supervisors as provided in [chapter 331, division IV, part 4](#) and [section 347A.3](#).

[C71, 73, 75, 77, 79, 81, §145A.20]

[83 Acts, ch 101, §25](#); [85 Acts, ch 123, §10](#)

145A.21 Amendment of plan of merger — procedures — qualifications.

A plan of merger once approved may be amended. An amendment shall be formulated and approved in the same manner and subject to the same limitations as provided in [sections 145A.3 through 145A.9](#) for the formulation and approval of an original plan of merger. However, an amendment to a plan of merger shall not in any way impair the obligation of or source of payment for bonds or other indebtedness duly contracted prior to the effective date of the amendment to the plan of merger.

[85 Acts, ch 123, §11](#)

145A.22 Actions subject to contest of elections — filing actions — limitation.

A special election called to approve or reject an original plan of merger or an amendment to an approved plan of merger is subject to the provisions for contest of elections for public measures set forth in [chapter 57](#). Except as provided with respect to election contests, after one hundred twenty days following the third and final publication of the order of approval of the plan or amendment to the plan of merger, an action shall not be filed to contest the regularity of the proceedings with respect to a plan of merger or amendment to a plan of merger. After one hundred twenty days the organization of the merged area is conclusively presumed to have been lawful.

[85 Acts, ch 123, §12](#)