

Reprinted

FILED JAN 26 1994

SENATE FILE 2060
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 2041)

Passed Senate, Date 2/3/94 Passed House, ^(P.1027) Date 3/31/95
Vote: Ayes 46 Nays 0 Vote: Ayes 98 Nays 0
Approved May 2, 1994

A BILL FOR

1 An Act relating to county hospital provisions involving the
2 pecuniary interest of a county hospital trustee and
3 establishing procedures for a memorial hospital or county
4 hospital supported by revenue to become a county hospital
5 supported by a tax levy.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2060

1 Section 1. Section 347.15, Code 1993, is amended to read
2 as follows:

3 347.15 PECUNIARY INTEREST PROHIBITED.

4 No A trustee shall not have, directly or indirectly, any
5 pecuniary interest in the purchase or sale of any commodities
6 or supplies procured for or disposed of by said a county
7 hospital. This section does not apply to a purchase or sale
8 of commodities or supplies which benefits a trustee if the
9 benefit to the trustee does not exceed one thousand five
10 hundred dollars in a fiscal year or to a purchase or sale made
11 by a trustee of the board of hospital trustees through
12 competitive bid which is issued in written form and is
13 publicly invited and opened.

14 Sec. 2. NEW SECTION. 347.23A MEMORIAL HOSPITAL OR COUNTY
15 HOSPITAL PAYABLE FROM REVENUE BONDS CHANGED TO COUNTY
16 HOSPITAL.

17 1. A hospital established as a memorial hospital under
18 chapter 37 or a county hospital supported by revenue bonds and
19 organized under chapter 347A may become, in accordance with
20 the provisions of this section, a county hospital organized
21 and managed as provided for in this chapter. If the hospital
22 is established by a city as a memorial hospital, the city must
23 be located in the county which will own and manage the
24 hospital. A proposition for the change must be submitted to
25 and approved by a majority of the electors of the county which
26 will own and manage the hospital as provided for in this
27 chapter. In addition, if the hospital is a memorial hospital
28 organized by a city under chapter 37, the proposition must
29 also be approved by a majority of the electors of that city.
30 The proposition may be submitted to the electors at any
31 general or special election called by the county board of
32 supervisors for this purpose.

33 2. The proposition shall be placed upon the ballot by the
34 board of supervisors if requested by the hospital's board of
35 trustees or governing commission and the request is endorsed

1 by a petition for this purpose signed by qualified electors of
2 the county equal in number to five percent of the votes cast
3 for president of the United States or governor, as the case
4 may be, at the last general election. Upon the approval of
5 the proposition the hospital, its assets and liabilities,
6 shall become the property of the county and this chapter shall
7 govern its future management.

8 a. The question for a memorial hospital established by a
9 city under chapter 37 shall be submitted in substantially the
10 following form: "Shall the hospital of,
11 Iowa, be transferred to and become the property of, and be
12 managed by the county of, Iowa under provision of
13 chapter 347 of the Code of Iowa?"

14 b. The question for a memorial hospital established by a
15 county under chapter 37 or a county hospital supported by
16 revenue bonds and organized under chapter 347A shall be
17 submitted in substantially the following form: "Shall the
18 hospital of, Iowa, organized and governed
19 under chapter of the Code of Iowa be changed to be
20 established and governed under chapter 347 of the Code of
21 Iowa?"

22 3. For the purpose of computing whether or not the
23 proposition is carried, if the hospital is a memorial hospital
24 established by a city under the provisions of chapter 37, the
25 votes of the residents of that city shall be counted both for
26 the purpose of ascertaining whether or not the proposition is
27 carried within the city and also for the purpose of
28 ascertaining whether or not the proposition is carried within
29 the county.

30 EXPLANATION

31 This bill relates to county hospital provisions involving
32 the pecuniary interest of a hospital trustee and establishes
33 procedures for a hospital which is organized under chapter 37
34 or 347A to become a county hospital organized under chapter
35 347.

1 Current law explicitly prohibits a county hospital trustee
2 from having a pecuniary interest in commodity or supply
3 transactions associated with the hospital. The bill would
4 permit a trustee to have a pecuniary interest if the benefit
5 to the trustee is less than \$1,500 per fiscal year or the
6 transaction is subject to the public competitive bid process.

7 Chapter 347 relates to public hospitals operated by
8 counties and includes various levy and governance provisions
9 not included in chapter 37 or 347A.

10 Chapter 37 relates to hospitals and some buildings,
11 memorials, and monuments commencing with services
12 which were built and equipped by a city or county. Chapter
13 347A relates to hospitals established using revenue bonds by
14 counties with a population of less than 100,000. Both
15 chapters include limited levy authority to pay various costs
16 of the hospitals and provide for governance of the hospitals.

17 The bill requires that the board or commission governing
18 the hospital to be changed must submit a request to the county
19 board of supervisors. The request must be endorsed by a
20 petition signed by qualified electors in an amount of at least
21 5 percent of votes cast in the latest presidential or
22 gubernatorial election. If these conditions are met the board
23 of supervisors must place the question on the ballot. The
24 election may be either a special or a general election.

25 If the hospital is a memorial hospital organized by a city,
26 the city must be located in the county which would assume
27 ownership. Also, in this case the question must be approved
28 by a majority of both the county's electors and that city's
29 electors.

30 If the hospital is a county memorial hospital or county
31 hospital payable from revenue bonds the question to the voters
32 is whether or not to change the hospital's legal basis to be
33 under chapter 37.

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SENATE FILE 2060

S-5007

1 Amend Senate File 2060 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 347.9, Code 1993, is amended
5 by adding the following new unnumbered paragraph:
6 NEW UNNUMBERED PARAGRAPHE. If the membership of the
7 county hospital board of trustees has been changed in
8 accordance with section 347.25A, the provisions of
9 this section and section 347.10 in regard to number of
10 members and terms of office of the members of a
11 hospital board of trustees do not apply. However, all
12 other provisions of this section remain applicable."

13 2. Page 2, by inserting after line 29 the
14 following:

15 "Sec. 101. NEW SECTION. 347.25A BOARD OF TRUSTEE
16 MEMBERSHIP.

17 1. A county board of supervisors may by
18 resolution, or shall upon petition of the number of
19 eligible electors of the county as specified in
20 section 331.306, submit to the qualified electors of
21 the county at a general election a proposition to
22 revise the manner of election and number of members of
23 the county hospital board of trustees to be the same
24 as that of the county board of supervisors in that
25 county.

26 2. If a majority of the votes is in favor of the
27 proposition, the membership of the board of trustees
28 shall remain as provided in section 347.9 until the
29 first day in January which is not a Sunday or holiday
30 following the next general election, at which time the
31 terms of the members of the board of trustees shall
32 expire.

33 3. At the next general election following the one
34 at which the proposition to revise the manner of
35 election and number of members of the county hospital
36 board of trustees is approved, the membership of the
37 board of trustees shall be elected according to the
38 supervisor representation plan in effect in the
39 county. The initial terms of the board of trustees
40 elected under this subsection shall be the same as
41 would apply to the initial election of that county's
42 board of supervisors as provided in sections 331.201
43 through 331.210."

44 3. By renumbering as necessary.

By BERL PRIEBE

07 FILED FEBRUARY 1, 1994

(P. 214) adopted
2/3/94

SENATE FILE 2060

S-5012

1 Amend the amendment, S-5007, to Senate File 2060 as
2 follows:

3 1. Page 1, line 17, by inserting after the word
4 "supervisors" the following: "and county hospital
5 board of trustees".

6 2. Page 1, line 18, by inserting before the word
7 "resolution" the following: "joint".

By JIM RIORDAN

S-5012 FILED FEBRUARY 3, 1994
ADOPTED

1 Section 1. Section 347.9, Code 1993, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If the membership of the county
4 hospital board of trustees has been changed in accordance with
5 section 347.25A, the provisions of this section and section
6 347.10 in regard to number of members and terms of office of
7 the members of a hospital board of trustees do not apply.
8 However, all other provisions of this section remain
9 applicable.

10 Sec. 2. Section 347.15, Code 1993, is amended to read as
11 follows:

12 347.15 PECUNIARY INTEREST PROHIBITED.

13 No A trustee shall not have, directly or indirectly, any
14 pecuniary interest in the purchase or sale of any commodities
15 or supplies procured for or disposed of by said a county
16 hospital. This section does not apply to a purchase or sale
17 of commodities or supplies which benefits a trustee if the
18 benefit to the trustee does not exceed one thousand five
19 hundred dollars in a fiscal year or to a purchase or sale made
20 by a trustee of the board of hospital trustees through
21 competitive bid which is issued in written form and is
22 publicly invited and opened.

23 Sec. 3. NEW SECTION. 347.23A MEMORIAL HOSPITAL OR COUNTY
24 HOSPITAL PAYABLE FROM REVENUE BONDS CHANGED TO COUNTY
25 HOSPITAL.

26 1. A hospital established as a memorial hospital under
27 chapter 37 or a county hospital supported by revenue bonds and
28 organized under chapter 347A may become, in accordance with
29 the provisions of this section, a county hospital organized
30 and managed as provided for in this chapter. If the hospital
31 is established by a city as a memorial hospital, the city must
32 be located in the county which will own and manage the
33 hospital. A proposition for the change must be submitted to
34 and approved by a majority of the electors of the county which
35 will own and manage the hospital as provided for in this

1 chapter. In addition, if the hospital is a memorial hospital
2 organized by a city under chapter 37, the proposition must
3 also be approved by a majority of the electors of that city.
4 The proposition may be submitted to the electors at any
5 general or special election called by the county board of
6 supervisors for this purpose.

7 2. The proposition shall be placed upon the ballot by the
8 board of supervisors if requested by the hospital's board of
9 trustees or governing commission and the request is endorsed
10 by a petition for this purpose signed by qualified electors of
11 the county equal in number to five percent of the votes cast
12 for president of the United States or governor, as the case
13 may be, at the last general election. Upon the approval of
14 the proposition the hospital, its assets and liabilities,
15 shall become the property of the county and this chapter shall
16 govern its future management.

17 a. The question for a memorial hospital established by a
18 city under chapter 37 shall be submitted in substantially the
19 following form: "Shall the hospital of,
20 Iowa, be transferred to and become the property of, and be
21 managed by the county of, Iowa under provision of
22 chapter 347 of the Code of Iowa?"

23 b. The question for a memorial hospital established by a
24 county under chapter 37 or a county hospital supported by
25 revenue bonds and organized under chapter 347A shall be
26 submitted in substantially the following form: "Shall the
27 hospital of, Iowa, organized and governed
28 under chapter of the Code of Iowa be changed to be
29 established and governed under chapter 347 of the Code of
30 Iowa?"

31 3. For the purpose of computing whether or not the
32 proposition is carried, if the hospital is a memorial hospital
33 established by a city under the provisions of chapter 37, the
34 votes of the residents of that city shall be counted both for
35 the purpose of ascertaining whether or not the proposition is

1 carried within the city and also for the purpose of
2 ascertaining whether or not the proposition is carried within
3 the county.

4 Sec. 4. NEW SECTION. 347.25A BOARD OF TRUSTEE
5 MEMBERSHIP.

6 1. A county board of supervisors and county hospital board
7 of trustees may by joint resolution, or shall upon petition of
8 the number of eligible electors of the county as specified in
9 section 331.306, submit to the qualified electors of the
10 county at a general election a proposition to revise the
11 manner of election and number of members of the county
12 hospital board of trustees to be the same as that of the
13 county board of supervisors in that county.

14 2. If a majority of the votes is in favor of the
15 proposition, the membership of the board of trustees shall
16 remain as provided in section 347.9 until the first day in
17 January which is not a Sunday or holiday following the next
18 general election, at which time the terms of the members of
19 the board of trustees shall expire.

20 3. At the next general election following the one at which
21 the proposition to revise the manner of election and number of
22 members of the county hospital board of trustees is approved,
23 the membership of the board of trustees shall be elected
24 according to the supervisor representation plan in effect in
25 the county. The initial terms of the board of trustees
26 elected under this subsection shall be the same as would apply
27 to the initial election of that county's board of supervisors
28 as provided in sections 331.201 through 331.210.

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Riordan - Chair
Bartz
Judge

SSB - 2041
Human Resources

SENATE FILE 2060
BY (PROPOSED COMMITTEE ON HUMAN
RESOURCES BILL BY CHAIRPERSON
SZYMONIAK)

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

A BILL FOR

1 An Act relating to county hospital provisions involving the
2 pecuniary interest of a county hospital trustee and
3 establishing procedures for a memorial hospital or county
4 hospital supported by revenue to become a county hospital
5 supported by a tax levy.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 347.15, Code 1993, is amended to read
2 as follows:

3 347.15 PECUNIARY INTEREST PROHIBITED.

4 No A trustee shall not have, directly or indirectly, any
5 pecuniary interest in the purchase or sale of any commodities
6 or supplies procured for or disposed of by said a county
7 hospital. This section does not apply to a purchase or sale
8 of commodities or supplies which benefits a trustee if the
9 benefit to the trustee does not exceed one thousand five
10 hundred dollars in a fiscal year or to a purchase or sale made
11 by a trustee of the board of hospital trustees through
12 competitive bid which is issued in written form and is
13 publicly invited and opened.

14 Sec. 2. NEW SECTION. 347.23A MEMORIAL HOSPITAL OR COUNTY
15 HOSPITAL PAYABLE FROM REVENUE BONDS CHANGED TO COUNTY
16 HOSPITAL.

17 1. A hospital established as a memorial hospital under
18 chapter 37 or a county hospital supported by revenue bonds and
19 organized under chapter 347A may become, in accordance with
20 the provisions of this section, a county hospital organized
21 and managed as provided for in this chapter. If the hospital
22 is established by a city as a memorial hospital, the city must
23 be located in the county which will own and manage the
24 hospital. A proposition for the change must be submitted to
25 and approved by a majority of the electors of the county which
26 will own and manage the hospital as provided for in this
27 chapter. In addition, if the hospital is a memorial hospital
28 organized by a city under chapter 37, the proposition must
29 also be approved by a majority of the electors of that city.
30 The proposition may be submitted to the electors at any
31 general or special election called by the county board of
32 supervisors for this purpose.

33 2. The proposition shall be placed upon the ballot by the
34 board of supervisors if requested by the hospital's board of
35 trustees or governing commission and the request is endorsed

1 by a petition for this purpose signed by qualified electors of
2 the county equal in number to five percent of the votes cast
3 for president of the United States or governor, as the case
4 may be, at the last general election. Upon the approval of
5 the proposition the hospital, its assets and liabilities,
6 shall become the property of the county and this chapter shall
7 govern its future management.

8 a. The question for a memorial hospital established by a
9 city under chapter 37 shall be submitted in substantially the
10 following form: "Shall the hospital of,
11 Iowa, be transferred to and become the property of, and be
12 managed by the county of, Iowa under provision of
13 chapter 347 of the Code of Iowa?"

14 b. The question for a memorial hospital established by a
15 county under chapter 37 or a county hospital supported by
16 revenue bonds and organized under chapter 347A shall be
17 submitted in substantially the following form: "Shall the
18 hospital of, Iowa, organized and governed
19 under chapter of the Code of Iowa be changed to be
20 established and governed under chapter 347 of the Code of
21 Iowa?"

22 3. For the purpose of computing whether or not the
23 proposition is carried, if the hospital is a memorial hospital
24 established by a city under the provisions of chapter 37, the
25 votes of the residents of that city shall be counted both for
26 the purpose of ascertaining whether or not the proposition is
27 carried within the city and also for the purpose of
28 ascertaining whether or not the proposition is carried within
29 the county.

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EXPLANATION

31 This bill relates to county hospital provisions involving
32 the pecuniary interest of a hospital trustee and establishes
33 procedures for a hospital which is organized under chapter 37
34 or 347A to become a county hospital organized under chapter
35 347.

1 Current law explicitly prohibits a county hospital trustee
2 from having a pecuniary interest in commodity or supply
3 transactions associated with the hospital. The bill would
4 permit a trustee to have a pecuniary interest if the benefit
5 to the trustee is less than \$1,500 per fiscal year or the
6 transaction is subject to the public competitive bid process.

7 Chapter 347 relates to public hospitals operated by
8 counties and includes various levy and governance provisions
9 not included in chapter 37 or 347A.

10 Chapter 37 relates to hospitals and other buildings,
11 memorials, and monuments commemorating the armed services
12 which were built and equipped by a city or county. Chapter
13 347A relates to hospitals established using revenue bonds by
14 counties with a population of less than 150,000. Both
15 chapters include limited levy authority to pay various costs
16 of the hospitals and provide for governance of the hospitals.

17 The bill requires that the board or commission governing
18 the hospital to be changed must submit a request to the county
19 board of supervisors. The request must be endorsed by a
20 petition signed by qualified electors in an amount of at least
21 5 percent of votes cast in the latest presidential or
22 gubernatorial election. If these conditions are met the board
23 of supervisors must place the question on the ballot. The
24 election may be either a special or a general election.

25 If the hospital is a memorial hospital organized by a city,
26 the city must be located in the county which would assume
27 ownership. Also, in this case the question must be approved
28 by a majority of both the county's electors and that city's
29 electors.

30 If the hospital is a county memorial hospital or county
31 hospital payable from revenue bonds the question to the voters
32 is whether or not to change the hospital's legal basis to be
33 under chapter 37.

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SENATE FILE 2060

AN ACT

RELATING TO COUNTY HOSPITAL PROVISIONS INVOLVING THE PECUNIARY INTEREST OF A COUNTY HOSPITAL TRUSTEE AND ESTABLISHING PROCEDURES FOR A MEMORIAL HOSPITAL OR COUNTY HOSPITAL SUPPORTED BY REVENUE TO BECOME A COUNTY HOSPITAL SUPPORTED BY A TAX LEVY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 347.15, Code 1993, is amended to read as follows:

347.15 PECUNIARY INTEREST PROHIBITED.

No trustee shall not have, directly or indirectly, any pecuniary interest in the purchase or sale of any commodities or supplies procured for or disposed of by said a county hospital. This section does not apply to a purchase or sale of commodities or supplies which benefits a trustee if the benefit to the trustee does not exceed one thousand five hundred dollars in a fiscal year or to a purchase or sale made by a trustee of the board of hospital trustees through competitive bid which is issued in written form and is publicly invited and opened.

Sec. 2. NEW SECTION. 347.23A MEMORIAL HOSPITAL OR COUNTY HOSPITAL PAYABLE FROM REVENUE BONDS CHANGED TO COUNTY HOSPITAL.

1. A hospital established as a memorial hospital under chapter 37 or a county hospital supported by revenue bonds and organized under chapter 347A may become, in accordance with the provisions of this section, a county hospital organized and managed as provided for in this chapter. If the hospital is established by a city as a memorial hospital, the city must be located in the county which will own and manage the hospital. A proposition for the change must be submitted to and approved by a majority of the electors of the county which

will own and manage the hospital as provided for in this chapter. In addition, if the hospital is a memorial hospital organized by a city under chapter 37, the proposition must also be approved by a majority of the electors of that city. The proposition may be submitted to the electors at any general or special election called by the county board of supervisors for this purpose.

2. The proposition shall be placed upon the ballot by the board of supervisors if requested by the hospital's board of trustees or governing commission and the request is endorsed by a petition for this purpose signed by qualified electors of the county equal in number to five percent of the votes cast for president of the United States or governor, as the case may be, at the last general election. Upon the approval of the proposition the hospital, its assets and liabilities, shall become the property of the county and this chapter shall govern its future management.

a. The question for a memorial hospital established by a city under chapter 37 shall be submitted in substantially the following form: "Shall the hospital of, Iowa, be transferred to and become the property of, and be managed by the county of, Iowa under provision of chapter 347 of the Code of Iowa?"

b. The question for a memorial hospital established by a county under chapter 37 or a county hospital supported by revenue bonds and organized under chapter 347A shall be submitted in substantially the following form: "Shall the hospital of, Iowa, organized and governed under chapter of the Code of Iowa be changed to be established and governed under chapter 347 of the Code of Iowa?"

3. For the purpose of computing whether or not the proposition is carried, if the hospital is a memorial hospital established by a city under the provisions of chapter 37, the votes of the residents of that city shall be counted both for

the purpose of ascertaining whether or not the proposition is carried within the city and also for the purpose of ascertaining whether or not the proposition is carried within the county.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2060, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 2, 1994

TERRY E. BRANSTAD
Governor