

CHAPTER 110**COUNTY, CITY, AND MEMORIAL HOSPITAL
OPERATIONS AND ADMINISTRATION***H.F. 260*

AN ACT relating to the operation of county, city, and memorial hospitals and the duties and powers of hospital trustees and commissioners.

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

Section 1. Section 21.5, subsection 1, paragraph 1, Code 2009, is amended to read as follows:

1. To discuss patient care quality and process improvement initiatives in a meeting of a public hospital or to discuss marketing and pricing strategies or similar proprietary information in a meeting of a public hospital, where public disclosure of such information would harm such a hospital's competitive position when no public purpose would be served by public disclosure. The minutes and the audio recording of a closed session under this paragraph shall be available for public inspection when the public disclosure would no longer harm the hospital's competitive position. For purposes of this paragraph, "public hospital" means the same as defined in section 249J.3. This paragraph does not apply to the information required to be disclosed pursuant to section 347.13, subsection 14 11, or to any discussions relating to terms or conditions of employment, including but not limited to compensation of an officer or employee or group of officers or employees.

Sec. 2. Section 37.9, subsection 5, Code 2009, is amended to read as follows:

5. The commissioners having the management and control of a memorial hospital shall, within ten days after their appointment, qualify by taking the usual oath of office, but no bonds shall be required of them ~~except as hereinafter provided~~. The commissioners shall organize by electing a chairperson, secretary, and treasurer. ~~The secretary and treasurer shall each file with the chairperson of the commission a surety bond in such sum as the commission may require, with sureties approved by the commission, for the use and benefit of the memorial hospital. The reasonable costs of such bonds shall be paid from operating funds of the hospital. The secretary shall immediately report to the county auditor and county treasurer the names of the chairperson, secretary, and treasurer of the commission. The commission shall meet at least once each month as necessary to adequately oversee the operation of the hospital.~~ A majority of the commission members shall constitute a quorum for the transaction of business. The secretary shall keep a complete record of its proceedings. The commissioners of a memorial hospital shall have all of the powers and duties necessary to manage, control, and govern the memorial hospital including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions conflict with this chapter.

Sec. 3. Section 249J.24, subsection 6, paragraph b, Code 2009, is amended to read as follows:

b. The board of trustees of the acute care teaching hospital identified in this subsection and the department shall execute an agreement under chapter 28E by July 1, 2005, and annually by July 1, thereafter, to specify the requirements relative to distribution of the proceeds and the distribution of moneys to the hospital from the IowaCare account. The agreement shall include provisions relating to exceptions to the deadline for submission of clean claims as required pursuant to section 249J.7 and provisions relating to data reporting requirements regarding the expansion population. The agreement may also include a provision allowing such hospital to limit access to such hospital by expansion population members based on residency

of the member, if such provision reflects the policy of such hospital regarding indigent patients existing on April 1, 2005, as adopted by its board of hospital trustees pursuant to section 347.14, subsection 4.

Sec. 4. Section 331.321, subsection l, paragraph p, Code 2009, is amended to read as follows:

p. A temporary board of hospital trustees in accordance with sections 347.9, ~~347.9A~~, and 347.10 if a proposition to establish a county hospital has been approved by the voters.

Sec. 5. Section 347.7, Code 2009, is amended to read as follows:

347.7 TAX LEVIES.

1. a. If a county hospital is established, the board of supervisors, at the time of levying ordinary taxes, shall levy a tax at the rate voted not to exceed fifty-four cents per thousand dollars of assessed value in any one year for the erection and equipment of the hospital, and also a tax not to exceed twenty-seven cents per thousand dollars of value for the improvement, maintenance, and replacements of the hospital, as certified by the board of hospital trustees. However, in counties having a population of two hundred twenty-five thousand or over, the levy for taxes payable in the fiscal year beginning July 1, 2001, and for subsequent fiscal years, for improvements and maintenance of the hospital shall not exceed two dollars and five cents per thousand dollars of assessed value in any one year.

b. The proceeds of the taxes constitute the county public hospital fund and the ~~fund~~ is subject to review by the board of supervisors in counties having a population of two hundred twenty-five thousand or over. However, the board of trustees of a county hospital, where funds are available in the county public hospital fund of the county which are unappropriated, may use the unappropriated funds for erecting and equipping hospital buildings and additions to the hospital buildings without authority from the voters of the county.

2. No ~~A~~ levy shall ~~not~~ be made for the improvement, maintenance, or replacements of the hospital until the hospital has been constructed, staffed, and receiving patients. If revenue bonds are issued and outstanding under section 331.461, subsection 2, paragraph "d", the board may levy a tax to pay operating and maintenance expenses in lieu of the authority otherwise contained in this section not to exceed twenty-seven cents per thousand dollars of assessed value or not to exceed one dollar and twenty-one and one-half cents per thousand dollars of assessed value for improvements and maintenance of the hospital in counties having a population of two hundred twenty-five thousand or over.

3. In addition to levies otherwise authorized by this section, the board of ~~supervisors~~ ~~hospital trustees~~ may ~~certify for~~ levy a tax at the rate, not to exceed twenty-seven cents per thousand dollars of assessed value, necessary to raise the amount budgeted by the board of hospital trustees for support of ambulance service as authorized in section 347.14, subsection 14 ~~g~~.

4. a. The tax levy authorized by this section for operation and maintenance of the hospital may be available in whole or in part to any county with or without a county hospital organized under this chapter, to be used to enhance rural health services in the county. However, the tax levied may be expended for enhancement of rural health care services only following a local planning process. The Iowa department of public health shall establish guidelines to be followed by counties in implementing the local planning process which shall require legal notice, public hearings, and a referendum in accordance with this section and section 347.30 ~~subsection~~ prior to the authorization of any new levy or a change in the use of a levy. The notice shall describe the new levy or the change in the use of the levy, indicate the date and location of the hearing, and shall be published as¹ least once each week for two consecutive weeks in a newspaper having general circulation in the county. The hearing shall not take place prior to two weeks after the second publication.

b. Enhancement of rural health services for which the tax levy pursuant to this section may be used includes but is not limited to emergency medical services, health care services shared with other hospitals, rural health clinics, and support for rural health care practitioners and public health services.

c. When alternative use of funds from the tax levy ~~authorized by this section~~ is proposed in

¹ See chapter 179, §38 herein

a county with a county hospital organized under this chapter, use of the funds shall be agreed upon by the elected board of trustees of the county hospital. When alternative use of funds from the tax levy authorized by this section is proposed in a county without a county hospital organized under this chapter, use of the funds shall be agreed upon by the board of supervisors and any publicly elected hospital board of trustees within the county prior to submission of the question to the voters.

d. Moneys raised from a tax levied in accordance with this paragraph subsection for the purpose of enhancing rural health services in a county without a county hospital shall be designated and administered by the board of supervisors in a manner consistent with the purposes of the levy.

Sec. 6. Section 347.9, Code 2009, is amended to read as follows:

347.9 TRUSTEES — APPOINTMENT — TERMS OF OFFICE.

When it has been determined by the voters of a county to establish a county public hospital, the board shall appoint seven trustees chosen from among the resident citizens of the county with reference to their fitness for office, and not more than four of the trustees shall be residents of the city at which the hospital is located. The trustees shall hold office until the following general election, at which time their successors shall be elected, two for a term of two years, two for four years, and three for six years, and they shall determine by lot their respective terms, and thereafter their successors shall be elected for regular terms of six years each. A person or spouse of a person with medical or special staff privileges in the county public hospital or who receives direct or indirect compensation in an amount greater than one thousand five hundred dollars in a calendar year from the county public hospital or direct or indirect compensation in an amount greater than one thousand five hundred dollars in a calendar year from a person contracting for services with the hospital shall not be eligible to serve as a trustee for that county public hospital. However, this section does not prohibit a licensed health care practitioner from serving as a hospital trustee if the practitioner's sole use of the county hospital is to provide health care service to an individual with mental retardation as defined in section 222.2.

Sec. 7. NEW SECTION. 347.9A TRUSTEE ELIGIBILITY — CONFLICT OF INTEREST.

1. The following persons shall not be eligible to serve as a trustee for a county public hospital:

a. A person or spouse of a person with medical or special staff privileges in the county public hospital.

b. A person or spouse of a person who receives direct compensation in an amount greater than one thousand five hundred dollars in a calendar year from the county public hospital.

2. The transactions of a hospital trustee or a hospital trustee's spouse shall be limited as follows:

a. A conflict of interest transaction is a transaction with the hospital in which a hospital trustee or a hospital trustee's spouse has a direct interest of less than or equal to one thousand five hundred dollars or indirect interest in any amount. A conflict of interest transaction is not voidable on the basis of the conflict of interest if all of the following are true:

(1) The material facts of the transaction and the interest of the trustee or the trustee's spouse were disclosed or known to the board of hospital trustees.

(2) The board of hospital trustees authorized, approved, or ratified the transaction. A conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the disinterested trustees at a meeting where a quorum is present and where three or more trustees are disinterested in the conflict of interest transaction.

(3) The transaction was fair to the hospital at the time of the transaction.

b. For the purposes of this section, a trustee has an indirect interest in a transaction if either of the following is true:

(1) Another entity in which the trustee or the trustee's spouse has a material interest or in which the trustee or the trustee's spouse is a general partner is party to the transaction.

(2) Another entity of which the trustee or the trustee's spouse is a director, officer, or trustee is a party to the transaction.

3. This section does not prohibit a licensed health care practitioner from serving as a hospital trustee if the practitioner's sole use of the county hospital is to provide health care service to an individual with mental retardation as defined in section 222.2.

Sec. 8. Section 347.10, Code 2009, is amended to read as follows:

347.10 VACANCIES.

Vacancies in on the board of trustees may, until the next general election, be filled by appointment by the remaining members of the board of trustees or, if fewer than four trustees remain on the board, by the board of supervisors for the period until the vacancies are filled by election. An appointment made under this section shall be for the unexpired balance of the term of the preceding trustee. If any a board member is absent for four consecutive regular board meetings, without prior excuse, the member's position shall be declared vacant and filled as set out in this section.

Sec. 9. Section 347.11, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

347.11 ORGANIZATION — MEETINGS — QUORUM.

Hospital trustees shall qualify by taking the usual oath of office as provided in chapter 63 and organize by the election of a chairperson, a secretary, and a treasurer. The secretary shall report to the county auditor and county treasurer the names of the chairperson, secretary, and treasurer of the board of hospital trustees as soon as practicable after the qualification of each. A board of hospital trustees shall meet as necessary to adequately oversee the operation of the hospital. Four trustees shall constitute a quorum necessary for actions by the board of hospital trustees. The secretary shall maintain a complete record of board meetings, proceedings, and actions.

Sec. 10. Section 347.12, Code 2009, is amended to read as follows:

347.12 OFFICERS' DUTIES — PURCHASING REGULATIONS REVENUE COLLECTED — ACCOUNTING PRACTICES.

~~The treasurer of the county hospital shall receive and disburse all funds. Warrants shall be drawn by the secretary and countersigned by the chairperson of the board after the claim has been certified by the board. However, the board may adopt purchasing regulations to govern the purchase of specified goods and services without the prior certification by the board. The purchasing regulations shall conform to generally accepted practices followed by public purchasing officers.~~

~~The treasurer of the county hospital shall keep an accurate account of all receipts and disbursements and shall register all orders drawn and reported to the treasurer by the secretary, showing the number, date, to whom drawn, the fund upon which drawn, the purpose and amount.~~

~~The secretary of the hospital board of trustees shall file monthly on or before the thirtieth day of each month with such board a complete statement of all receipts and disbursements from all funds during the preceding month, and also the balance remaining on hand in such funds at the close of the period covered by said statement.~~

~~1. Before the fifteenth day of each month, the county treasurer shall give notice to the chairperson of the board of hospital trustees or the chairperson's designee of the amount of revenue collected for each fund of the hospital to the first day of that month and the county treasurer shall pay the taxes to the treasurer of the hospital as provided in section 331.552, subsection 29.~~

~~2. a. The hospital administrator, or the administrator's designee, shall ensure that all accounts, funds, reports, and financial statements of the county hospital conform to generally accepted accounting principles as established by the governmental accounting standards board.~~

b. The hospital administrator, or the administrator's designee, shall file a financial report with the board of hospital trustees on or before the date of each regularly scheduled board meeting for the period of time since the board's previous regularly scheduled meeting.

Sec. 11. Section 347.13, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

347.13 BOARD OF TRUSTEES — DUTIES.

A board of hospital trustees' duties shall include all of the following:

1. Engage in all activities necessary to manage, control, and govern the hospital unless otherwise prohibited under this chapter.
2. Exercise all the rights and duties of hospital trustees including but not limited to authorizing the delivery of any health care service, assisted or independent living service, or other ancillary service.
3. Adopt bylaws and rules for its own guidance and for the government of the hospital.
4. Exercise fiduciary duties in accordance with section 504.831, subsections 1 through 5.
5. Employ or contract for an administrator and fix the administrator's compensation. The administrator shall have authority to oversee the day-to-day operations of the hospital and its employees.
6. Approve the appointment of a qualified medical staff and oversee the quality of medical care and services provided by the hospital.
7. Manage and control the hospital's funds in accordance with chapter 540A. In addition to investments permitted under section 12B.10, county hospital investments may include common stocks.
8. Establish charity care policies for free treatment or financial assistance for care provided by the hospital, and fix the price to be charged to other patients admitted to the hospital for care and treatment.
9. Procure and pay premiums on any and all insurance policies required for the prudent management of the hospital including but not limited to public liability, professional malpractice liability, workers' compensation, and vehicle liability. Said insurance may include as additional insureds members of the board of trustees and employees of the hospital. This subsection applies to all county hospitals whether organized under this chapter, chapter 347A, chapter 37, or otherwise established by law.
10. Certify levies for a tax in excess of any tax levy limit to meet its obligations to pay the premium costs on tort liability insurance, property insurance, workers' compensation insurance, and any other insurance that may be necessary for the prudent management and operation of the county public hospital, the costs of a self-insurance program, the costs of a local government risk pool, and amounts payable under any insurance agreements to provide or procure such insurance, self-insurance program, or local government risk pool.
11. Publish quarterly in each of the official newspapers of the county as selected by the board of supervisors pursuant to section 349.1 the schedule of bills allowed, and publish annually in such newspapers the schedule of salaries paid by job classification and category, but not by listing names of individual employees. The names, business addresses, salaries, and job classification of employees paid in whole or in part from a tax levy shall be a public record and open to inspection at reasonable times as designated by the board of trustees.
12. Fix the amount necessary for the improvement and maintenance of the hospital and for support of ambulance service during the ensuing fiscal year, and certify the amount to the county auditor before March 15 of each year, subject to any limitation in section 347.7.

Sec. 12. Section 347.14, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

347.14 BOARD OF TRUSTEES — POWERS.

The board of trustees may:

1. Purchase, condemn, or lease a site for such public hospital and provide and equip suitable hospital buildings.
2. Cause plans and specifications to be made and adopted for all hospital buildings, and ad-

vertise for bids, as required by law for other county buildings, before making a contract for the construction of a building.

3. Accept property by gift, devise, bequest, or otherwise. If the board deems it advisable, the board may sell, lease, exchange, or otherwise dispose of any hospital property upon a concurring vote of a majority of all members of the board of hospital trustees. The proceeds of such sale, lease, exchange, or other disposition may be applied to any lawful purpose, subject to approval of the board.

4. Borrow moneys to be secured solely by hospital revenues for the purposes of improvement, maintenance, or replacement of the hospital or for hospital equipment.

5. Establish and maintain in connection with the hospital a training school for nurses or other health professions.

6. Establish a fund for depreciation as a separate fund. Moneys deposited in the fund shall remain in the fund until such time as in the judgment of the board of trustees it is deemed advisable to use the funds for hospital purposes. Interest earned on moneys in the fund shall be deposited in the fund.

7. Operate a health care facility as defined in section 135C.1 in conjunction with the hospital.

8. Purchase, lease, equip, maintain, and operate an ambulance or ambulances to provide necessary and sufficient ambulance service or to contract for such vehicles, equipment, maintenance, or service when such ambulance service is not otherwise available.

9. a. Submit to the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "a", a proposition to sell or lease a county public hospital for use as a private hospital or as a merged area hospital under chapter 145A or to sell or lease a county hospital in conjunction with the establishment of a merged area hospital. The authorization of the board of hospital trustees submitting the proposition may, but is not required to, contain conditions which provide for maintaining hospital care within the county, for the retention of county public hospital employees and staff, and for the continuation of the board of trustees for the purpose of carrying out provisions of contracts. Proceeds from the sale or lease of the county hospital or other assets of the board of trustees shall not be used for the prepayment of health care services for residents of the county with the purchaser or lessee of the county hospital or to underwrite the sale or lease of the county hospital.

b. The proposition submitted to the voters of the county shall not be set forth at length, but it shall be in substantially the following form:

"Shall the board of hospital trustees of county, state of Iowa, be authorized to (state authorization which may exclude the conditions) in accordance with the terms of authorization approved at the meeting of (cite date) of the board of hospital trustees?"

c. If the proposition is approved by a majority of the total votes cast for and against the proposition at the election, the board of hospital trustees shall proceed to carry out the authorization granted.

10. If the board authorizes delivery of additional health care services, assisted or independent living services, or other ancillary services under section 347.13, subsection 2, the board is granted all of the powers and duties necessary for the management, control, and government of the institutions including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such an entity is established, organized, operated, or maintained, unless such provisions are in conflict with this section and section 347.13.

Sec. 13. Section 347.16, subsection 4, Code 2009, is amended by striking the subsection.

Sec. 14. Section 347.19, Code 2009, is amended to read as follows:

347.19 COMPENSATION — EXPENSES.

No A trustee shall not receive any compensation for services performed under this chapter, but a trustee shall be reimbursed for any cash expenditures actually made for personal actual

~~and necessary expenses incurred in the performance of the trustee's duties. An itemized statement of such expenses, verified by the oath of each such trustee, shall be filed with the secretary, and the same shall only be allowed by an affirmative vote of all trustees present at the meeting of the board.~~

Sec. 15. Section 347A.1, Code 2009, is amended to read as follows:

347A.1 REVENUE BONDS — TRUSTEES — ADMINISTRATION.

1. A county having a population less than one hundred fifty thousand may issue revenue bonds for a county hospital as provided in section 331.461, subsection 2, paragraph "e".

2. a. The administration and management of the hospital shall be vested in a board of hospital trustees consisting of five or seven members. Appointments for a five-member board shall be made by the board of supervisors from among the resident citizens of the county with reference to their fitness for office, and not more than two of the trustees shall be residents of the same township. ~~Expansion from a five-member to a seven-member board of trustees shall occur only on approval of a majority of the five-member board of trustees. The five-member board of trustees shall appoint members to the additional vacancies; one appointee shall serve until the succeeding general election and the other appointee shall serve until the second succeeding general election at which times successors shall be elected.~~

b. The trustees shall hold office until the next succeeding election, at which time their successors shall be elected, two for a term of two years, two for a term of four years and one for a term of six years, and thereafter their successors shall be elected for regular terms of six years each. Vacancies ~~in~~ on the board of trustees may be filled in the same manner as original appointments, to hold office until the vacancies are filled pursuant to section 69.12.

c. The trustees shall qualify by taking the usual oath of office as provided in chapter 63, but no bond shall be required of them. The trustees shall receive no compensation but shall be reimbursed for all expenses incurred by them ~~with the approval of the board of trustees in the performance of their duties.~~

d. The board first appointed shall organize promptly following its appointment, and shall serve until successors are elected and qualified; ~~thereafter, Thereafter, and~~ no later than December 1 of each year, the board shall reorganize by the appointment of a chairperson, secretary, and treasurer. ~~The secretary and treasurer shall each file with the chairperson of the board a surety bond in the amount the board of trustees requires, with sureties to be approved by the board of trustees, for the use and benefit of the county hospital. The reasonable cost of the bonds shall be paid from the operating funds of the hospital. The secretary shall report to the county auditor and the county treasurer the names of the chairperson, secretary, and treasurer of the board as soon as practicable after the appointment of each.~~

~~The treasurer of the county hospital shall receive and disburse all funds. Warrants shall be drawn by the secretary and countersigned by the chairperson of the board after the claim has been certified by the board. However, the board may adopt purchasing regulations to govern the purchase of specified goods and services without the prior certification of the board. The purchasing regulations shall conform to generally accepted practices followed by purchasing officers. The treasurer of the county hospital shall keep an accurate account of all receipts and disbursements and shall register all orders drawn and reported by the secretary, showing the number, date, to whom drawn, the fund upon which drawn, the purpose, and amount. The secretary of the board of trustees shall file with the board on or before the tenth day of each month, a complete statement of all receipts and disbursements from all funds during the preceding month, and also the balance remaining on hand in all funds at the close of the period covered by the statement.~~

e. ~~Expansion from a five-member to a seven-member board of trustees shall occur only on approval of a majority of the five-member board of trustees. The five-member board of trustees shall appoint members to the additional vacancies; one appointee shall serve until the succeeding general election, and the other appointee shall serve until the second succeeding general election at which times successors shall be elected.~~

3. a. Before the fifteenth day of each month, the county treasurer shall give notice to the

chairperson of the board of trustees, ~~or the chairperson's designee~~, of the amount of revenue collected for each fund of the hospital to the first day of that month and the county treasurer shall pay the taxes to the treasurer of the hospital as provided in section 331.552, subsection 29.

b. The hospital administrator, or the administrator's designee, shall ensure that all accounts, funds, reports, and financial statements of the county hospital conform to generally accepted accounting principles as established by the governmental accounting standards board.

c. The hospital administrator, or the administrator's designee, shall file a financial report with the board of hospital trustees on or before the date of each regularly scheduled board meeting for the period of time since the board's previous regularly scheduled meeting.

~~4. a. The board of hospital trustees may employ, fix the compensation of, and remove at pleasure professional, technical, and other employees as it deems necessary for the operation and maintenance of the hospital, and disbursement of funds for operation and maintenance shall be made upon order and approval of the board of hospital trustees. A county hospital may include a nurses home and nurses training school. The board of trustees shall make all rules and regulations governing its meetings and the management, government, and operation of the county hospital and shall fix charges for the services furnished so that the revenues will be at all times sufficient in the aggregate to provide for the payment of the interest on and principal of all revenue bonds issued and outstanding for the hospital, and for the payment of all operating and maintenance expenses of the hospital.~~

~~The board of hospital trustees may establish a fund for depreciation as a separate fund. Depreciation fund moneys may be invested in United States government bonds and the accumulation of interest on the bonds shall be used for the purposes of the depreciation fund. The moneys shall remain invested in the bonds until the board of hospital trustees determines the moneys shall be used for hospital purposes.~~

b. The board of trustees shall have all of the powers and duties necessary to manage, control, and govern the county hospital including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions are in conflict with this section.

Sec. 16. Section 392.6, Code 2009, is amended to read as follows:

392.6 HOSPITAL OR HEALTH CARE FACILITY TRUSTEES.

1. If a hospital or health care facility is established by a city, the city shall by ordinance provide for the election, at a general, city, or special election held pursuant to section 39.2, subsection 4, paragraph "b", of three trustees, whose terms of office shall be four years. However, at the first election, three shall be elected and hold their office, one for four years and two for two years, and they shall by lot determine their respective terms. A candidate for hospital or health care facility trustee must be a resident of the hospital or health care facility service area within the boundaries of the state at the time of the election at which the person's name appears on the ballot. A board of trustees elected pursuant to this section shall serve as the sole and only board of trustees for any and all institutions established by a city as provided for in this section.

2. Cities maintaining an institution as provided for in this section which have a board of trustees consisting of three or five members may by ordinance increase the number of members to five or seven. The ordinance shall provide for the immediate appointment of the additional members necessary to establish a five-member or seven-member board and shall provide that, of the additional members added to the board by appointment, one-half of the additional members added ~~The administration and management of an institution as provided for in this section is vested in a board of trustees consisting of three, five, or seven members. A three-member board may be expanded to a five-member board, and a five-member board may be expanded to a seven-member board.~~ Expansion of the membership of the board shall

occur only on approval of a majority of the current board of trustees. The additional members shall be appointed by the current board of trustees. One appointee shall serve until the next succeeding general or regular city election, at which time a successor shall be elected, and the remaining additional members other appointee shall serve until the second succeeding general or regular city election, at which time a successor shall be elected. The ordinance shall also provide that the determination of which election an appointed additional member shall be required to seek election shall be determined by lot. Thereafter, the terms of office of such additional members shall be four years. However, if a city has adopted an ordinance which increases the number of members of the board of trustees to five or seven members and the terms of office of four of the five members or six of the seven members end in the same year, the date of expiration of the term of one of the four members or two of the six members, to be determined by lot, shall be extended by an additional two years.

3. a. Terms of office of trustees elected pursuant to general or regular city elections shall begin at noon on the first day in January which is not a Sunday or legal holiday. Terms of office of trustees appointed to fill a vacancy or elected pursuant to special elections shall begin at noon on the tenth day after appointment or the special election which is not a Sunday or legal holiday. The trustees shall begin their terms of office by taking the oath of office, and organize as a board by the election of one of their number trustee as chairperson, one trustee as treasurer, and one trustee as secretary, but no bond shall be required of them. Terms of office of trustees shall extend to noon on the first day in January which is not a Sunday or legal holiday or until their successors are elected and qualified.

b. Vacancies on the board of trustees may, until the next general or regular city election, be filled by appointment by the remaining members of the board of trustees, unless within fourteen days after the appointment is made, there is filed with the city clerk a petition which requests a special election to fill the vacancy in the same manner as provided in section 347.10. Trustees who are appointed to fill a vacancy or who are elected at special elections shall serve the unexpired terms of office or until their successors are elected and qualified. An appointment made under this paragraph shall be for the unexpired balance of the term of the preceding trustee. If a board member is absent for four consecutive regular board meetings, without prior excuse, the member's position shall be declared vacant and filled as set out in this paragraph.

The treasurer of the board of trustees shall receive and disburse all funds under the control of the board as ordered by it. The treasurer shall give bond in a form and amount as determined by the board in its discretion.

4. No A trustee shall not receive any compensation for services performed under this chapter, but a trustee may receive reimbursement shall be reimbursed for any cash expenses actually made for personal expenses incurred as trustee, but an itemized statement of all expenses and moneys paid out shall be made under oath by each of the trustees and filed with the secretary and allowed only by the affirmative vote of the full board actual and necessary expenses incurred in performance of the trustee's duties.

5. The board of trustees shall be vested with authority to provide for the management, control, and government of the city hospital or health care facility established as permitted by this section, and shall provide all needed rules for the economic conduct thereof and shall annually prepare a condensed statement of the total receipts and expenditures for the hospital or health care facility and cause the same to be published in a newspaper of general circulation in the city in which the hospital or health care facility is located. In the management of the hospital or health care facility no discrimination shall be made against practitioners of any school of medicine recognized by the laws of the state.

As a part of the board's authority it may accept property by gift, devise, bequest or otherwise; and, if the board deems it advisable, may, at public sale, sell or exchange any property so accepted upon a concurring vote of a majority of all members of the board of trustees, and apply the proceeds thereof, or property received in exchange therefor, to any legitimate hospital or health care facility purpose.

The trustees may in their discretion establish a fund for depreciation as a separate fund. Said

funds may be invested in United States government bonds and when so invested the accumulation of interest on the bonds so purchased shall be used for the purposes of the depreciation fund; an investment when so made shall remain in United States government bonds until such time as in the judgment of the board of trustees it is deemed advisable to use the funds for hospital or health care facility purposes.

6. Boards of trustees of institutions provided for in this section are granted all of the powers and duties necessary for the management, control, and government of the institutions, specifically including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and custodial homes other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions are in conflict with this section.

Sec. 17. Sections 347.18, 347.28, 347.29, 347.30, and 347A.5, Code 2009, are repealed.

Approved May 18, 2009

CHAPTER 111

CIVIL SERVICE EMPLOYMENT

H.F. 420

†AN ACT concerning civil service commissions, disciplinary procedures, and residency requirements for civil service employees.

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

Section 1. Section 400.1, subsection 1, Code 2009, is amended to read as follows:

1. In cities having a population of eight thousand or over and having a paid fire department or a paid police department, the mayor, one year after a regular city election, with the approval of the council, shall appoint three civil service commissioners who. The mayor shall publish notice of the names of persons selected for appointment no less than thirty days prior to a vote by the city council. Commissioners shall hold office, one until the first Monday in April of the second year, one until the first Monday in April of the third year, and one until the first Monday in April of the fourth year after such appointment, whose successors shall be appointed for a term of four years. In cities having a population of more than seventy thousand, the city council may establish, by ordinance, the number of civil service commissioners at not less than three.

Sec. 2. Section 400.2, Code 2009, is amended to read as follows:

400.2 QUALIFICATIONS — CONFLICT OF INTEREST PROHIBITED CONTRACTS.

1. The commissioners must be citizens of Iowa, eligible electors as defined in chapter 39, and residents of the city preceding their appointment, and shall serve without compensation. A person, while on the commission, shall not hold or be a candidate for any office of public trust. However, when a human rights commission has been established by a city, the director of the commission shall ex officio be a member, without vote, of the civil service commission.

2. Civil service commissioners, with respect to the city in which they are commissioners, shall not do any of the following:

† Estimate of additional local revenue expenditures required by state mandate on file with the Secretary of State