

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 4315

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DATE
03/11/2026

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Introduction and first reading
Referred to State and Local Government

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to local government; expanding the authority of hospital districts to support
1.3 additional health care services and providers; amending Minnesota Statutes 2024,
1.4 sections 447.31, subdivision 3; 447.33, subdivision 2; proposing coding for new
1.5 law in Minnesota Statutes, chapter 447.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 447.31, subdivision 3, is amended to read:

1.8 Subd. 3. **Contents of resolution.** A resolution under subdivision 1 must state that a
1.9 hospital district is authorized to be created under sections 447.31 to 447.37, or that an
1.10 existing hospital district is authorized to be reorganized under sections 447.31 to 447.37,
1.11 in order to acquire, improve, and run hospital and nursing home facilities, as well as
1.12 financially support other licensed health care programs, services, and facilities, that the
1.13 hospital board decides are necessary and expedient in accordance with sections 447.31 to
1.14 447.37. The resolution must name the two or more cities or towns included in the district.
1.15 The resolution must be adopted by a two-thirds majority of the members-elect of the
1.16 governing body or board acting on it, or by the voters of the city or town as provided in this
1.17 section.

1.18 Each resolution adopted by the governing body of a city or town must be published in
1.19 its official newspaper and takes effect 40 days after publication, unless a petition for
1.20 referendum on the resolution is filed with the governing body within 40 days. A petition
1.21 for referendum must be signed by at least five percent of the number of voters voting at the
1.22 last election of officers. If a petition is filed, the resolution does not take effect until approved
1.23 by a majority of voters voting on it at a regular municipal election or a special election
1.24 which the governing body may call for that purpose.

2.1 The resolution may also be initiated by petition filed with the governing body of the city
2.2 or town, signed by at least ten percent of the number of voters voting at the last general
2.3 election. A petition must present the text of the proposed resolution and request an election
2.4 on it. If the petition is filed, the governing body shall call a special election for the purpose,
2.5 to be held within 30 days after the filing of the petition, or may submit the resolution to a
2.6 vote at a regular municipal election that is to be held within the 30-day period. The resolution
2.7 takes effect if approved by a majority of voters voting on it at the election. Only one election
2.8 shall be held within any given 12-month period upon resolutions initiated by petition. The
2.9 notice of the election and the ballot used must contain the text of the resolution, followed
2.10 by the question: "Shall the above resolution be approved?"

2.11 Sec. 2. Minnesota Statutes 2024, section 447.33, subdivision 2, is amended to read:

2.12 Subd. 2. **Specific powers.** Specifically, every district, acting through its hospital board,
2.13 may:

2.14 (1) employ nursing, administrative, and other personnel, legal counsel, engineers,
2.15 architects, accountants, and other qualified persons, who may be paid for their services by
2.16 monthly salaries, hourly wages, and pension benefits, or by any fees agreed on;

2.17 (2) have reports, plans, studies, and recommendations prepared;

2.18 (3) lease, purchase, and contract for the purchase of real and personal property by option,
2.19 contract for deed, conditional sales contract, or otherwise, and acquire real or personal
2.20 property by gift;

2.21 (4) lease or construct, equip, furnish, and maintain necessary buildings and grounds;

2.22 (5) adopt, by resolution, rules for the operation and administration of the hospital and
2.23 nursing home facilities under its control, and for the admission of patients;

2.24 (6) impose by resolution, and collect, charges for services and facilities provided and
2.25 made available by it;

2.26 (7) levy taxes as prescribed in section 447.34;

2.27 (8) borrow money and issue bonds as prescribed in sections 447.345 and 447.35;

2.28 (9) buy liability insurance for the district or its officers and employees or both, for torts
2.29 committed within the scope of their official duties, whether governmental or proprietary,
2.30 and against damage to or destruction of any of its facilities, equipment, or other property;

2.31 (10) sell or lease its facilities or equipment as it finds expedient;

3.1 (11) have its accounts, books, vouchers, and funds audited by competent public
3.2 accountants; ~~and~~

3.3 (12) enter into agreements with a city or county with respect to the facilities described
3.4 in section 447.45, subdivision 2, that are attached or related to a nursing home, are providing
3.5 supportive services to elderly persons who are not yet in need of nursing home care, including
3.6 congregate housing, adult day care, and respite care services, and are owned or operated by
3.7 the city or county; and

3.8 (13) enter into agreements under section 447.44 to provide financial or in-kind support
3.9 to licensed health care providers and facilities, including but not limited to primary care
3.10 clinics, behavioral and mental health providers, dental clinics, home health agencies, urgent
3.11 care centers, and community-based health service organizations.

3.12 **Sec. 3. [447.44] SUPPORT FOR LICENSED PROVIDERS.**

3.13 Subdivision 1. **Agreement requirements.** (a) Any agreement made under section 447.33,
3.14 subdivision 2, clause (13), must include terms that:

3.15 (1) require a recipient to use hospital district funds only for specifically identified
3.16 programs, services, or capital investments that benefit the health and well-being of hospital
3.17 district residents;

3.18 (2) establish regular financial reporting from the recipient to the hospital district; and

3.19 (3) prohibit the use of hospital district funds for executive compensation, shareholder
3.20 dividends, or profit distribution.

3.21 (b) A hospital board must establish internal policies and procedures to ensure that
3.22 recipient organizations comply with the requirements of this section.

3.23 Subd. 2. **No additional authority.** Nothing in this section modifies or provides additional
3.24 taxing authority to hospital districts beyond the authority provided in section 447.34 or as
3.25 otherwise provided by law.