

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 2399

(SENATE AUTHORS: JENSEN)

DATE	D-PG	OFFICIAL STATUS
03/06/2014	5998	Introduction and first reading
		Referred to State and Local Government
03/19/2014		Comm report: To pass as amended and re-refer to Taxes

A bill for an act
relating to local government; authorizing Rice County to sell real and personal
property; requiring dissolution of a hospital district; repealing Laws 1961,
chapter 372, sections 1; 2; Laws 1963, chapter 18, sections 1; 2; 3; 4; 5; 6; 7; 8;
9; 10; Laws 1996, chapter 471, article 8, sections 19; 20; 21; 22.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **PRIVATE SALE OF LAND; RICE COUNTY.**

Subdivision 1. Private sale of land. (a) Notwithstanding Laws 1963, chapter 118,
section 5, and Minnesota Statutes, section 373.01, or any other law to the contrary, the
Rice County hospital district may, without advertising for bids, sell and convey the land
described in paragraph (b). Notwithstanding Minnesota Statutes, section 373.01, or
any other law to the contrary, the Rice County hospital district may include some or
all tangible and intangible personal property associated with the hospital as part of the
negotiated sale price. The conveyance must be executed by

(b) The land to be sold is located in Rice County and consists of the parcel of
property known as the District One Hospital and adjacent property, all located within the
following legal description:

(c) Upon determination by Rice County that all sale requirements have been met,
and sufficient funds exist to pay all outstanding principal and interest on any bonds issued
prior to and in conjunction with the sale, the Rice County hospital district must file a
petition for dissolution under Minnesota Statutes, section 447.38.

EFFECTIVE DATE. This section is effective the day after the governing body of
Rice County and its chief clerical officer timely complete their compliance with Minnesota
Statutes, section 645.021, subdivisions 2 and 3.

2.1 Sec. 2. **REPEALER.**

2.2 Laws 1961, chapter 372, sections 1; and 2; Laws 1963, chapter 18, sections 1;
2.3 2; 3; 4; 5; 6; 7; 8; 9; and 10; and Laws 1996, chapter 471, article 8, sections 19; 20;
2.4 21; and 22, are repealed.

2.5 **EFFECTIVE DATE.** This section is effective upon Rice County hospital district
2.6 filing a petition for dissolution pursuant to Minnesota Statutes, section 447.38.

Laws 1961, chapter 372, section 1 is not available in xtend

Laws 1961, chapter 372, section 2 is not available in xtend

Laws 1963, chapter 18, section 1 is not available in xtend

Laws 1963, chapter 18, section 10 is not available in xtend

Laws 1963, chapter 18, section 2 is not available in xtend

Laws 1963, chapter 18, section 3 is not available in xtend

Laws 1963, chapter 18, section 4 is not available in xtend

Laws 1963, chapter 18, section 5 is not available in xtend

Laws 1963, chapter 18, section 6 is not available in xtend

Laws 1963, chapter 18, section 7 is not available in xtend

Laws 1963, chapter 18, section 8 is not available in xtend

Laws 1963, chapter 18, section 9 is not available in xtend

Laws 1996, chapter 471, article 8, section 19

Sec. 19. Laws 1963, chapter 118, section 1, subdivision 3, is amended to read:

Subd. 3. For the purpose of this act, the term "municipality" shall include cities, villages, and towns of the hospital district, which are as follows: the cities of Faribault, Nerstrand, and Morristown; and the townships of Wheeling, Cannon City, Wells, Shieldsville, Morristown, Warsaw, Walcott, and Richland.

Laws 1996, chapter 471, article 8, section 20

Sec. 20. Laws 1963, chapter 118, section 2, is amended to read:

Sec. 2. **HOSPITAL BOARD; APPOINTMENT; TERMS.**

Subdivision 1. The hospital district shall be governed by a board of directors of nine voting members, hereinafter called "hospital board", who shall be residents of the district, appointed by the committee described under subdivision 4. The members of the hospital board shall be selected from the several municipalities forming a part of the district, on the basis of population, so that, as nearly as practicable, the most populous municipality shall have numerical representation in proportion to its share of the total district population.

Subd. 2. All members shall hold office until their successors are appointed and qualify. Members of the hospital board shall be appointed to a three-year term, expiring on May 1. Terms of office must be staggered so that one-third of the positions are up for appointment each year. In case of a vacancy on the hospital board, whether due to death, nonresidency, inability to serve, resignation, or removal for cause appointment shall be made at a special meeting of the appointment committee for the then unexpired term. Tenure of each board member is limited to three successive three-year terms, or a total of nine successive years, but a member may be reappointed after one year without board membership. The hospital administrative staff shall facilitate the appointment process, including an open advertisement for hospital board vacancies.

APPENDIX

Repealed Minnesota Session Laws: 14-5283

Subd. 3. In addition to voting members, the hospital board may add ex officio members to the board, but without voting privilege. The hospital board shall adopt bylaws to provide grounds and a procedure for removal of board members for cause and may remove board members in accordance with the bylaws.

Subd. 4. A five-member appointment committee of elected officials representing the municipalities of the hospital district shall be established each year. Two members of the appointing committee shall be selected by the Faribault city council. Two members of the appointing committee shall be selected by the representatives of the other municipalities at the hospital annual meeting. One county commissioner member, whose constituency is made up of at least one-third of the city of Faribault, shall be selected by the Rice county board.

Laws 1996, chapter 471, article 8, section 21

Sec. 21. Laws 1963, chapter 118, section 4, is amended to read:

Sec. 4. MEETINGS OF THE BOARD.

Subdivision 1. Regular meetings of the hospital board shall be held at least once a month, at such time and place as the board shall by resolution determine. Special meetings may be held at any time upon the call of the chairman or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon such other notice as the board, by resolution, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Subd. 2. During the second half of each year, the hospital board will convene an annual meeting to report to the citizens of the hospital district on the state of the hospital. The agenda will include a report by the chief executive officer on the status of the hospital, future plans for the hospital, and the hospital's financial condition, including the need for revenues derived from the property tax levy. Each of the municipalities shall send one official representative.

Laws 1996, chapter 471, article 8, section 22

Sec. 22. Laws 1963, chapter 118, section 6, is amended to read:

Sec. 6. PAYMENT OF EXPENSES; TAXATION.

Subdivision 1. Expenses of acquisition, betterment, administration, operation, and maintenance of any hospital, including nursing home facilities, operated by the hospital district, shall be paid from the revenue derived therefrom and, to the extent necessary, from ad valorem taxes levied by the hospital board upon all taxable property situated within the district.

Subd. 2. On or before September 15 of each year the hospital board shall certify to the county auditor the total amount required to be raised from ad valorem tax levy in order to meet estimated expenses during the ensuing year and shall cause such amount to be certified to the county auditor to be extended upon the tax rolls.

Subd. 3. The county treasurer shall make settlement of such taxes with the treasurer of the hospital district in the same manner as other taxes are distributed to political subdivisions. The levies authorized by this section shall be in addition to any other taxes authorized by law.

Subd. 4. The hospital board may levy up to 1.70 percent of the hospital district's net tax capacity without the approval of the Faribault city council and the governing bodies of the other municipalities in the hospital district. Any amount of tax levied by the hospital board in excess of 1.70 percent of the hospital district's net tax capacity shall require ratification by a majority vote of the Faribault city council and a majority of the governing bodies of the other municipalities in the hospital district. At the option of the hospital board, the vote may occur at a specially scheduled joint meeting of all the municipalities of the hospital district, or at the hospital's annual meeting.