

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	6309a	Comm report: To pass as amended and re-refer to Taxes
04/01/2014		Comm report: To pass as amended Second reading

A bill for an act
relating to local government; authorizing District One Hospital to sell real and
personal property; providing for dissolution of a hospital district; repealing
Laws 1961, chapter 372, sections 1; 2; Laws 1963, chapter 118, sections 1, as
amended; 2, as amended; 3; 4, as amended; 5; 6, as amended; 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; DISTRICT ONE HOSPITAL BOARD.**

(a) Notwithstanding Laws 1963, chapter 118, section 5, or any other law to the
contrary, the District One Hospital District may, without advertising for bids, sell,
convey, and transfer management, control, and operation of the hospital, any of the
hospital's personal property, and any of the real property described in paragraph (b).
Notwithstanding any law to the contrary, the District One Hospital District may include
some or all tangible and intangible personal property associated with the hospital as part
of the negotiated sale price.

(b) The land referred to in paragraph (a), is located in Rice County and consists of
the parcels of property known as the District One Hospital and adjacent property. Legal
descriptions for the properties are as follows:

(1) LOT SIX (6), NORTH SEABURY ADDITION, FARIBAULT, RICE COUNTY,
MINNESOTA;

(2) ALL OF BLOCK 4, AUDITOR'S PLAT NO. 1 OF THE SW1/4 OF SECTION
32, TOWNSHIP 110 NORTH, RANGE 20 WEST OF THE 5TH P.M., FARIBAULT,
RICE COUNTY, MINNESOTA, EXCEPTING THEREFROM THAT PART OF SAID
BLOCK 4 DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE NORTH
LINE OF SAID BLOCK 4, A DISTANCE OF 179.00 FEET WESTERLY FROM THE

NORTHEAST CORNER OF SAID BLOCK 4, THENCE SOUTHERLY, PARALLEL WITH THE EAST LINE OF SAID BLOCK 4, A DISTANCE OF 225.00 FEET; THENCE WESTERLY, PARALLEL WITH SAID NORTH LINE OF BLOCK 4, A DISTANCE OF 154.00 FEET; THENCE NORTHERLY, PARALLEL WITH SAID EAST LINE, 75.00 FEET; THENCE WESTERLY, PARALLEL WITH SAID NORTH LINE, 36.00 FEET; THENCE NORTHERLY, PARALLEL WITH SAID EAST LINE, 150.00 FEET TO A POINT IN SAID NORTH LINE; THENCE EASTERLY ALONG SAID NORTH LINE, 190.00 FEET TO SAID POINT OF BEGINNING;

(3) LOT THREE (3), NORTH SEABURY ADDITION, FARIBAULT, RICE COUNTY, MINNESOTA;

(4) LOT 5, NORTH SEABURY ADDITION, FARIBAULT, MINNESOTA, ACCORDING TO THE PLAT THEREOF ON FILE AND OF RECORD IN THE REGISTER OF DEEDS FOR RICE COUNTY, MINNESOTA;

(5) LOT 7, 8, 9, 10, AND THE EAST 82.4 FEET OF LOT 11, ALL IN NORTH SEABURY ADDITION, FARIBAULT, RICE COUNTY, MINNESOTA, AND THE EAST 82.4 FEET OF ALL OF LOTS 7 AND 8, BLOCK 1, FARIBAULT'S ADDITION TO FARIBAULT, WHICH LIES NORTH AND WEST OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF SAID BLOCK 1, NORTHEASTERLY TO THE NORTHEAST CORNER OF SAID LOT 7, OF BLOCK 1;

(6) LOTS 1, 2, 3, 4, 5, 6, 7, 15, 16, 17, THE SOUTH 10 FEET OF LOT 18, AND LOT 23, EXCEPT THE EAST 141.22 FEET, ALL IN BLOCK 6, ALL IN AUDITOR'S PLAT NO. 1, SW1/4 OF SECTION 32, TOWNSHIP 110 NORTH, RANGE 20 WEST OF THE 5TH PRINCIPAL MERIDIAN, FARIBAULT, RICE COUNTY, MINNESOTA;

(7) UNIT 2, CONDOMINIUM NUMBER 8, JOHNSTON HALL CONDOMINIUM, FARIBAULT, RICE COUNTY, MINNESOTA;

(8) UNIT 1, CONDOMINIUM NUMBER 8, JOHNSTON HALL CONDOMINIUM, FARIBAULT, RICE COUNTY, MINNESOTA; AND

(9) COMMON ELEMENTS, CONDOMINIUM NUMBER 8, JOHNSTON HALL CONDOMINIUM, FARIBAULT, RICE COUNTY, MINNESOTA.

(c) Upon determination by the District One Hospital Board 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, each statutory or home rule charter city and town located within the hospital district must file a petition with the hospital board for dissolution under Minnesota Statutes, section 447.38.

EFFECTIVE DATE.

This section is effective the day following final enactment.

3.1 Sec. 2. **REPEALER.**

3.2 Laws 1961, chapter 372, sections 1; and 2; Laws 1963, chapter 118, sections 1, as
3.3 amended by Laws 1996, chapter 471, article 8, section 19; 2, as amended by Laws 1996,
3.4 chapter 471, article 8, section 20; 3; 4, as amended by Laws 1996, chapter 471, article 8,
3.5 section 21; 5; 6, as amended by Laws 1996, chapter 471, article 8, section 22; 7; 8; 9; and
3.6 10; and Laws 1996, chapter 471, article 8, sections 19; 20; 21; and 22, are repealed.

3.7 **EFFECTIVE DATE.** This section is effective upon the statutory and home rule
3.8 charter cities located within the hospital district filing a petition with the hospital board
3.9 for dissolution under Minnesota Statutes, section 447.38.

APPENDIX
Repealed Minnesota Session Laws: S2399-1

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 118, section 1, as amended is not available in xtend by Laws 1996, chapter 471, article 8, section 19

Laws 1963, chapter 118, section 10 is not available in xtend

Laws 1963, chapter 118, section 2, as amended is not available in xtend by Laws 1996, chapter 471, article 8, section 20

Laws 1963, chapter 118, section 3 is not available in xtend

Laws 1963, chapter 118, section 4, as amended is not available in xtend by Laws 1996, chapter 471, article 8, section 21

Laws 1963, chapter 118, section 5 is not available in xtend

Laws 1963, chapter 118, section 6, as amended is not available in xtend by Laws 1996, chapter 471, article 8, section 22

Laws 1963, chapter 118, section 7 is not available in xtend

Laws 1963, chapter 118, section 8 is not available in xtend

Laws 1963, chapter 118, 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

APPENDIX

Repealed Minnesota Session Laws: S2399-1

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.

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.