

until the tax is paid. The tax shall be annually extended by the county auditor and shall be collected in the manner provided by law for the collection of ad valorem taxes.

Subd. 9. In determining the assessed value of property within any taxing district the value of the surface of lands subject to the provisions of this act therein, as determined by the county board under provisions of the Minnesota Statutes, Section 88.48, Subdivision 3, shall, for all purposes except the levying of taxes on such lands, be deemed the full and true value thereof.

Subd. 10. No landowner may have an aggregate of more than ten thousand acres in any one county under the provisions of this act.

Sec. 9. [270.39] **Construction.** This act shall be broadly construed to achieve the purpose stated in the policy section. The invalidity of any provision shall be deemed not to affect the validity of other provisions.

Approved April 24, 1957.

CHAPTER 640—S. F. No. 1369

[Coded]

An act authorizing and providing for the creation and administration of hospital districts comprising territory in one or more counties, the construction, equipment and operation of district hospitals therein and the issuance of bonds therefor, and repealing Laws 1955, Chapter 227.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [397.05] **Hospital districts.** The board of county commissioners of any county, or two or more boards of county commissioners acting jointly, may, when requested so to do by resolutions of the governing bodies of two or more of the cities, villages and towns within the county or counties, by resolution create a hospital district comprising the entire area of such cities, villages and towns, provided that no city, village or town shall be included therein unless it is contiguous to one or more of the others; and provided further that each resolution hereafter adopted requesting the creation of such a district shall be published in the official newspaper of the city, village or town concerned, and if within ten days after such publication a petition shall be filed with the governing body, signed by qualified electors of the city, vil-

lage or town, equal in number to ten percent of the number of such electors voting at the last preceding election of officers thereof, requesting a referendum on the resolution, the same shall not become effective until approved by a majority of such qualified electors voting hereon at a general or special election.

Sec. 2. [397.06] **District hospital boards.** The board or boards of county commissioners may also authorize and direct the construction and equipment of a district hospital in any such district, to be constructed, equipped and operated under the supervision of a district hospital board comprising one member from each city, village and town in the district elected by the voters at the respective regular local elections thereof for a term of three years or until his successor has been elected and has qualified, commencing on the first day of April next following the election. When the district is first created, the governing body of each such city, village and town shall appoint a member of the board to serve until the commencement of the term of his successor. Thereafter whenever a vacancy occurs, the governing body of the city, village or town affected shall appoint a member to serve until April 1 following the next regular municipal or town election, when his successor shall be elected for a full three-year term.

Sec. 3. [397.07] **Annual meetings of boards.** The annual meeting of the hospital board shall be in April of each year, at which time the members shall elect from among themselves a chairman and a clerk for a term of one year.

Sec. 4. [397.08] **Operation expense, payment.** The expense of operation of any such hospital shall be paid from the revenues derived therefrom and, to the extent necessary, from ad valorem taxes to be levied solely upon the taxable property situated within the district, and, to the extent determined by the board or boards of county commissioners from time to time, from appropriations made in accordance with Minnesota Statutes, Section 376.08. The hospital district board may agree to repay to the county any sums appropriated by the board of county commissioners for this purpose, out of the net revenues to be derived from operation of the hospital, and subject to such terms as may be agreed upon. All revenues so received and taxes so levied shall be segregated in a special fund by the county treasurer of the county in which the hospital is situated and disbursed only upon orders signed by the chairman of the hospital board and countersigned by the clerk of the hospital board, pursuant to resolutions of said hospital board. All contracts with reference to the construction, equipment and operation of such hospital shall be

executed on behalf of the district by the chairman and clerk of the hospital board.

Sec. 5. [397.09] Tax levy. The board or boards of county commissioners shall at least annually examine and approve or take any necessary remedial action with reference to the receipts and disbursements shown by the books and records of each district hospital, and levy such tax in accordance with section 4 hereof, as may be necessary for the operation thereof in the succeeding year.

Sec. 6. [397.10] Bonds The construction and equipment and the subsequent improvement of any such hospital may be financed in whole or in part by the issuance of general obligation bonds in the manner provided in Minnesota Statutes, Chapter 475. Proceedings for the issuance thereof shall be instituted and completed by the board of county commissioners of the county in which the hospital is located, subject to the approval of the county boards of all other counties containing territory within the district. Notice of the election on such bonds shall be published in each legal newspaper published in the district, not less than ten days before the election and the qualified electors residing in the district shall be entitled to vote at such election, each at the polling place for the voting precinct in which he resides, as established for state and county elections. Taxes for the payment of such bonds shall be levied by the county board or boards on all taxable property within the hospital district, and shall be segregated in a special sinking fund in the custody of the treasurer of the county where the hospital is located, and shall not be subject to any statutory limitation as to rate or amount. Such bonds shall not constitute indebtedness for any purpose of the county or any city, village or town, and shall be payable solely from taxes levied on properties within the hospital district, and the liability of the county or counties thereon shall be limited to the completion of all proceedings required for the levy of such taxes and the creation and maintenance of a sinking fund and the payment of the bonds and interest from such fund in accordance with existing laws; provided that the board or boards of county commissioners may from time to time appropriate moneys for the erection, construction, improvement, alteration and equipment of any hospital financed by such bonds, in the manner and to the extent authorized by Minnesota Statutes, Section 376.08, which moneys may be directed by the county board making the appropriation to be credited to the sinking fund for such bonds or to be expended directly in payment of construction costs.

Sec. 7. [397.11] Annexation of territory. After

the creation of a hospital district any contiguous city, village or town may by resolution of its governing body request to be annexed thereto. All territory annexed shall be subject to taxation like other property in the district for the payment of principal and interest becoming due after the annexation on bonds of the district, whether authorized or issued before or after the annexation. If the hospital district has outstanding bonds or has voted bonds which are not issued, the annexation shall not be requested unless approved by a majority of the electors of the city, village or town voting thereon at a general or special election. No request for annexation shall be granted without the approval of the hospital district board and the boards of county commissioners of all counties containing territory within the district or to be annexed thereto, and each annexation shall be effected by a resolution of the county board of the county containing the territory to be annexed. Approval of the annexation by the hospital district board may in its discretion be conditioned upon the contributions, by or on behalf of the city, village or town to be annexed, to the capital improvement fund or the bond sinking fund of the hospital district, of such amounts as may be agreed upon as a reasonable estimate of the proportionate share, properly applicable to the annexed territory, of capital costs previously paid by the district, having regard to contributions previously made by cities, villages and towns in the district and their inhabitants, and principal and interest already paid on bonds of the district. Any city, village or town requesting to be so annexed may appropriate money or may authorize, issue and sell its bonds or may accept and expend contributions from private parties for the purpose of paying the proportionate share so agreed upon.

Sec. 8. [397.12] Subdivision 1. Repeal, power supplementary. Laws of 1955, Chapter 227, is repealed, provided that such repeal shall not affect the validity of the organization of any hospital district created thereunder or any actions or proceedings taken by such districts pursuant thereto, and all such districts shall hereafter be governed by the provisions of this act.

Sec. 9. Subd. 2. Except as provided in section 8, the powers granted herein are supplementary to and not in substitution for any other powers now possessed by counties, cities, villages and towns with reference to the construction, improvement, operation and financing of hospitals and the creation of hospital districts.

Approved April 24, 1957.
