

## Welfare, Recreation

## CHAPTER 447

## HOSPITALS, WELFARE ACTIVITIES

Sec.		Sec.	
447.04	Charity bureau	447.32	Officers and elections
447.045	Liquor dispensary fund, community hospital	447.33	Powers
447.05	Hospitals in certain cities	447.34	Payment of expenses; taxation
447.06	Acquisition of sites and property	447.345	Temporary borrowing authority
447.07	Rules	447.35	Bonds
447.08	Hospital boards may execute mortgages in certain cases	447.36	Annexation of territory
447.09	Limitation	447.37	Powers supplementary
447.10	Tax levy for operating and maintaining hospital	447.38	Dissolution; detachment of territory
447.11	Special fund	447.41	Establishment and operation; withdrawal
447.12	Application	447.42	Establishment and operation of community residential facilities for retarded and cerebral palsied persons
447.13	Power granted additional to existing powers	447.45	Hospitals and nursing homes, facilities for mentally retarded; financing and leasing
447.14	Gifts and devises in trust for free medical dispensaries and free public libraries	447.46	Revenue pledged
447.15	Administration of trust; designation of trustees	447.47	Lease of facilities to nonprofit or public corporation
447.16	Application	447.48	Security for bonds; pledge of credit for bonds
447.23	Acquisition of lands for hospital	447.49	Miscellaneous provisions
447.31	Creation and reorganization of hospital districts	447.50	Refunding bonds

**447.01-447.03 [Repealed, 1949 c 119 s 110]**

**447.04 CHARITY BUREAU.** The council of any statutory city now or hereafter having a population of more than 8,000, may establish and maintain a public charity bureau for the purpose of providing public charitable relief to the poor therein, and to assist ex-service persons in securing hospitalization, sick relief, federal aid or benefits, and for the relief generally of such persons, and to defray the expense thereof.

[1933 c 60 s 1; 1935 c 187; 1973 c 123 art 4 s 7; 1974 c 161 s 16] (1192-1)

**447.045 LIQUOR DISPENSARY FUND, COMMUNITY HOSPITAL.** Subdivision 1. The council of any city of the fourth class operating under a home rule charter and operating an off sale municipal liquor dispensary may appropriate not to exceed \$125,000 from the liquor dispensary fund to any duly incorporated nonprofit hospital association for the construction of a community hospital in such city governed by a board including two or more members of the city council and open to all residents of the city on equal terms. No such appropriation shall be made in any city where the average net earnings of the off sale municipal liquor dispensary had not exceeded \$18,000 for the last five completed fiscal years preceding the date of such appropriation.

Subd. 2. If the voters of any statutory city operating an on sale and off sale municipal liquor store, at a general or special election, vote in favor of contributing from its liquor dispensary fund toward the construction of a community hospital, the council thereof may appropriate not to exceed \$60,000 from its liquor dispensary fund to any duly incorporated non-profit hospital association for the construction of a community hospital in the statutory city governed by a board including two or more members of the statutory city council and open to all residents of the statutory city on equal terms. This appropriation shall not exceed one half the total cost of construction of the hospital. No such appropriation shall be made in any statutory city where the average net earnings of the on sale and off sale municipal liquor store have been less than \$10,000 for the last five completed fiscal years preceding the date of such appropriation.

Subd. 3. (a) If the voters of any statutory city operating an off sale, or an on and off sale municipal liquor store at a general or special election vote in favor of contributing from the village liquor dispensary fund toward the construction, maintenance and operation of a community hospital, the council thereof may for a period of four years thereafter appropriate from its liquor dispensary fund to any duly incorporated non-profit hospital association not to exceed \$4,000 of the net profits or proceeds of the municipal liquor store in any one year for construc-

tion and maintenance of any such hospital in such statutory city; and not to exceed \$1,000 in any one year for the operation thereof; and the hospital shall be open to all residents of the community on equal terms.

(b) No such appropriation shall be made in any statutory city where the average net earnings of the off sale, or on and off sale municipal liquor store have been less than \$8,000 for the last two completed years preceding the date of such appropriation.

Subd. 4. If the voters of any city of the fourth class, operating one or more municipal liquor stores, at a general or special election vote in favor of contributing from the profit in the city liquor dispensary fund toward the construction, equipping and maintenance of a community hospital within the limits of the city, the council thereof may appropriate not to exceed \$200,000 from profits in its liquor dispensary fund for the construction, equipping and maintenance of a community hospital in such city and open to all residents of the city on equal terms.

Certificates of indebtedness in anticipation of such profits may be issued by any such city payable only from profits from the operation of such store or stores.

Subd. 5. (a) The council of any statutory city operating either an on sale or an off sale municipal liquor store, or both, may appropriate funds from the net earnings thereof, annually, not exceeding 50 percent thereof to any duly incorporated non-profit hospital association to aid in the maintenance and cost of operation of such hospital, provided such hospital is governed by a board of directors including two or more members of the statutory city council, and the hospital grounds and buildings are owned by the municipality and leased to such hospital association, and provided the hospital is open to all residents of the statutory city on equal terms.

(b) No such appropriation shall be made in any statutory city where the average net earnings of the on sale, the off sale, or the on sale and off sale municipal liquor store have been less than \$8,000 for the last five completed fiscal years preceding the date of such appropriation.

Subd. 6. If the electors at any general or special election held in any statutory city of the fourth class, which city operates a municipal liquor store, vote in favor of contributing from the city liquor dispensary fund an amount not to exceed \$15,000 per year for each of five years toward the construction and maintenance of a community hospital, the council may appropriate not to exceed said amount each year for not to exceed five years out of said fund and may pay the same to any incorporated community hospital association in the city.

Subd. 7. If the voters of any statutory city operating an on sale, or an off sale, or an on sale and off sale municipal liquor store at a general or special election vote in favor of contributing from the statutory city liquor dispensary fund toward the acquisition, construction, improvement, maintenance, and operation of a community hospital, the council may appropriate such sums of money as said council may from time to time determine out of the net profits or proceeds of the municipal liquor store to any incorporated nonprofit hospital association in the statutory city, governed by a board of directors elected by donors of \$50 or more, who shall each have one vote; and the hospital shall be open to all residents of the community on equal terms.

[1945 c 416 s 1; 1947 c 5 s 1; 1947 c 151 s 1; 1947 c 321 s 1; 1949 c 146 s 1, 2; 1949 c 214 s 1; 1949 c 382 s 1; 1949 c 480 s 1; 1949 c 531 s 1; 1951 c 424 s 1; 1973 c 123 art 4 s 8]

**447.05 HOSPITALS IN CERTAIN CITIES.** Any city in the state, whether operating under a home rule charter or otherwise, now or hereafter having more than 1,000, and not more than 20,000, inhabitants, in addition to all powers now possessed by it, is hereby authorized and empowered, acting by and through its council, by resolution or ordinance duly adopted or enacted by an affirmative vote of not less than two-thirds of all the members-elect of the council, to acquire by gift, devise, purchase, condemnation, or otherwise, and to establish, maintain, equip, improve, own, hold, and operate hospitals, hospital sites, and hospital grounds within the limits of the city.

[1927 c 292 s 1; 1945 c 102 s 1; 1949 c 119 s 111] (1372-8)

**447.06 ACQUISITION OF SITES AND PROPERTY.** Any city mentioned in section 447.05 may acquire by grant, gift, devise, purchase, condemnation, or otherwise, any property necessary, convenient, or desirable for the purpose of estab-

lishing, maintaining, equipping, improving, owning, and operating any hospital, hospital site, or hospital grounds within the limits of the city and such city is hereby empowered to hold, own, and operate any hospital, hospital grounds and sites, and other real and personal property, heretofore transferred or conveyed to the city, by gift, devise, bequest, or otherwise for hospital purposes.

[1927 c 292 s 2; 1945 c 102 s 2; 1949 c 119 s 111] (1372-9)

**447.07 RULES.** The council of the city is hereby empowered to make such rules and regulations for the operation of such hospitals and to appoint such board to manage its hospital affairs and property, as it may deem necessary, proper, or expedient.

[1927 c 292 s 3; 1945 c 102 s 3; 1949 c 119 s 111] (1372-10)

**447.08 HOSPITAL BOARDS MAY EXECUTE MORTGAGES IN CERTAIN CASES.** In all cities of the fourth class where hospital boards have been created, either by home rule charter or legislative enactment, and where the city has obtained title to real estate, subject to a mortgage, by purchase, gift, or decree, such hospital boards are hereby authorized and empowered to enter into an agreement of extension of such mortgage or mortgages or to execute and deliver a new note and mortgage upon such premises for the purpose of refinancing the same, by and with the approval of the council of any such city; provided, that all funds so secured shall be employed exclusively in the payment of principal and interest on such original mortgage and prior liens if any, upon such real estate, including real estate taxes.

[1939 c 196 s 1] (1762-4)

**447.09 LIMITATION.** The lien of any such mortgage or mortgages so executed by such hospital board shall be limited to the premises therein described and in case of default the same may be foreclosed as provided by statute in case of other real estate mortgages, but otherwise the same shall not constitute a claim against such city.

[1939 c 196 s 2] (1762-5)

**447.10 TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.** The governing body of any city of the first class in this state owning a hospital, is hereby authorized to annually levy and collect a tax not to exceed one-third of one mill on each dollar of the taxable property of the city for the purpose of operating and maintaining such hospital.

[1919 c 58 s 1; 1973 c 773 s 1] (1493-1)

**447.11 SPECIAL FUND.** The proceeds of this tax shall be placed in the treasury of the city levying the same and shall constitute a special fund, kept distinct from all other funds of the city, and used only for the purpose of operating and maintaining the hospital.

[1919 c 58 s 2] (1493-2)

**447.12 APPLICATION.** Sections 447.10 to 447.13 apply only to those cities of the first class in the state as are or may hereafter be governed by a charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36.

[1919 c 58 s 3] (1493-3)

**447.13 POWER GRANTED ADDITIONAL TO EXISTING POWERS.** The power of levying the tax provided for in sections 447.10 to 447.13 shall be and is in addition to all existing powers and taxes that may now be levied by such cities.

[1919 c 58 s 4] (1493-4)

**447.14 GIFTS AND DEVISES IN TRUST FOR FREE MEDICAL DISPENSARIES AND FREE PUBLIC LIBRARIES.** Any city of the first class in the state, shall, in addition to all other powers now possessed by it, have, and it is hereby given, power and authority to accept in trust, gifts, devises, and bequests of money or property, whether the same be donated, devised, or bequeathed prior or subsequent to the passage of Laws 1913, Chapter 232, for the purpose of founding, establishing, and maintaining free medical dispensaries for the benefit of the poor of any such city or of the county in which the city is situated, and for the purpose of founding, establishing, and maintaining free public libraries for the use and benefit of the inhabitants of any such city or of the county in which the city is situated.

[1913 c 232 s 1] (1592-5)

**447.15 ADMINISTRATION OF TRUST; DESIGNATION OF TRUSTEES.** Any such city is hereby authorized and empowered to administer any gift, devise, or bequest to it in trust for the purposes aforesaid, by such officials, officers, or trustees as the donor or testator may designate for that purpose in the will or

instrument creating the trust and in accordance with the terms of such will or instrument, and any officers or officials of any such city or of any county in which any such city is situated as may be designated to administer any such trust by any will or other instrument creating the trust in any such municipality for either of the purposes aforesaid, are hereby empowered to administer, and are hereby charged with the duty of administering, such trust in accordance with the terms of the will or instrument creating the same.

[1913 c 232 s 2] (1592-6)

**447.16 APPLICATION.** Sections 447.14 to 447.16 apply to cities of the first class in this state now or hereafter operating under a home rule charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36.

[1913 c 232 s 3] (1592-7)

**447.17** [Repealed, 1969 c 224 s 7]

**447.18** [Repealed, 1969 c 224 s 7]

**447.19** [Repealed, 1969 c 224 s 7]

**447.191** [Repealed, 1969 c 224 s 7]

**447.20** [Repealed, 1969 c 224 s 7]

**447.21** [Repealed, 1969 c 224 s 7]

**447.22** [Repealed, 1969 c 224 s 7]

**447.23 ACQUISITION OF LANDS FOR HOSPITAL.** Any city of the first class in this state in which there is a city and county public hospital may acquire such additional lands as may be necessary therefor either by purchase or by condemnation thereof in the same manner as lands are condemned for the opening and widening of streets, and may pay the cost thereof either by public taxation or by issuing and selling the bonds of the city therefor; anything in the charter of the city or in any law of this state which may prohibit the issue of any bonds in excess of any specified percentage of taxable property in the city to the contrary notwithstanding. The aggregate amount of bonds issued for such purpose shall not be in excess of \$25,000, par value and shall not bear a greater rate of interest than four percent per annum.

[1905 c 139 s 1] (1493)

**447.24-447.29** [Repealed, 1959 c 251 s 1]

**447.31 CREATION AND REORGANIZATION OF HOSPITAL DISTRICTS.**

Subdivision 1. Any four or more cities and towns, however organized, except cities of the first class, may by resolutions adopted by their respective governing bodies or electors create a hospital district, and any hospital district now or hereafter formed may by resolutions adopted by its hospital board and by the governing body or electors of each city and town included therein be reorganized, in accordance with the provisions of sections 447.31 to 447.37.

Subd. 2. No city or town shall be included in a hospital district created or reorganized hereunder unless its entire territory is included therein and unless such territory is contiguous at one or more points to the territory of one or more of the other cities or towns included.

Subd. 3. Each such resolution shall state that a hospital district is authorized to be created pursuant to sections 447.31 to 447.37, comprising the territory of four or more designated cities or towns, or that an existing hospital district, with reference to the cities and towns comprising the same, is authorized to be reorganized pursuant to sections 447.31 to 447.37, for the purpose of the acquisition, betterment, operation, maintenance, and administration of such hospital and nursing home facilities as the hospital board shall determine in accordance with sections 447.31 to 447.37 to be necessary and expedient; and each such resolution shall be adopted by the approving vote of not less than two-thirds of the members-elect of the governing body or board acting thereon, or by the electors of the city or town in the manner herein provided. Each resolution adopted by the governing body of a city or town shall be published in its official newspaper and shall become effective 40 days after such publication, unless within said period a petition shall be filed with the governing body, signed by qualified electors of the city or town, equal in number to five percent of the number of such electors voting at the last preceding election of officers thereof, requesting a referendum on the resolution; in which case the same shall not become effective until approved by a majority of such qualified electors voting thereon at a regular municipal election or a special election which the governing body may call for said purpose. Alternatively, any such resolution may be initiated by petition filed with the governing body of the

city or town, signed by at least ten percent of the qualified electors voting at the last general election, setting forth the text of the resolution proposed to be approved, and requesting an election thereon; in which case the governing body shall call a special election for such purpose, to be held within 30 days after the filing of such petition, or may submit the resolution to a vote at any regular municipal election which is to be held within said 30-day period, and the resolution shall become effective if and when approved by a majority of said qualified electors voting thereon at such election. Only one election shall be held within any given 12 month period, upon resolutions initiated by petition of at least ten percent of the qualified voters voting at the last general election. The notice of any such election and the ballot used thereat shall contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Subd. 4. The hospital district shall be deemed duly created or reorganized on the effective date of the last resolution required to authorize the same. However, certified copies of each resolution shall be transmitted by the clerk or other recording officer of the governing body or board adopting it to the county auditor of each county in which territory of the hospital district is situated, and upon receipt of all required resolutions each county auditor shall file certified copies thereof as a public record with the register of deeds of his county, and the county auditor of the county in which the majority of the population of the district is situated shall transmit a certified copy of each resolution to the secretary of state to be filed as a public record.

Subd. 5. As soon as may be after the reorganization or creation of any hospital district, the hospital board or, in the case of a new district, the governing body of the most populous city or town included therein, shall call a special election, to be noticed, held, and canvassed in the manner herein provided for other hospital district elections, to elect a new hospital board, the members of which shall thereupon forthwith qualify and assume the powers and duties hereinafter set forth.

Subd. 6. Every hospital district created or reorganized pursuant to sections 447.31 to 447.37 shall be a municipal corporation and political subdivision of the state and shall have perpetual succession, may contract and be contracted with, may sue and be sued, may but shall not be required to use a corporate seal, may acquire such real and personal property as it may require, by purchase, gift, devise, lease, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. Upon reorganization of any district all of the assets, real and personal, of the pre-existing district, including all property the legal title to which may have been held by any county for the use and benefit of the pre-existing district, shall pass to the new reorganized district, and all legally valid and enforceable claims and contract obligations of the pre-existing district shall be assumed by the new reorganized district; and all the taxable property in such district shall be taxable for the payment of any bonded debt theretofore incurred by or on behalf of the pre-existing district. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by a district for the purposes of sections 447.31 to 447.37, shall be exempt from taxation by the state or any of its political subdivisions.

[1959 c 570 s 1; 1961 c 152 s 1-3; 1973 c 123 art 5 s 7]

**447.32 OFFICERS AND ELECTIONS.** Subdivision 1. Each hospital district shall be governed by a hospital board composed of one member elected from each city and town comprising said district and one member elected at large. The term of office of each member of the hospital board shall be four years and until his successor qualifies, except that at the first election members shall be elected for terms to be designated by the governing body calling the election, in such manner that one-half of the terms as nearly as may be, shall expire on December 31 of the then next following even numbered year and the remaining terms will expire two years from said date; and thereafter, prior to the expiration of the term of each member, a new member shall be elected for a term of four years from said expiration date. Upon the death, resignation, or removal of any member from the hospital district, or upon his failure to qualify, a successor may be appointed by a majority of the remaining members of the board, to hold office until December 31 following the next regular hospital district election, at which election a successor shall be elected to fill the unexpired term. Upon annexation of any additional city or town to the district, in accordance with section 447.36,

its governing body shall by resolution appoint a member to the board, to hold office until December 31 following the next regular hospital district election, at which election a successor shall be elected for a term of either two or four years, to be designated by the hospital board in such manner as to assure that the number of members of the board whose terms expire in any subsequent year will not exceed one-half of the members plus one.

Subd. 2. Regular elections shall be held in each hospital district at the same time and in the same election precincts and at the same polling places as general elections of state and county officers, except that the hospital board may by resolution fix a date, not later than December 7 immediately preceding the expiration of board members' terms, and may establish the whole district as a single election precinct or may establish two or more different election precincts and polling places for such elections; in which event the boundaries of the election precincts and the locations of the polling places shall be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk. Special elections may be called by the hospital board at any time to vote on any matter required by law to be submitted to the electors, and such elections shall be held within the election precinct or precincts and at the polling place or places designated by the board or, in the case of the first election of officers of a new district, by the governing body of the most populous city or town included in the district. Advisory ballots may be submitted by the hospital board on any question which it may desire, relating to the affairs of the district, but only at a regular election or at a special election required to be held for another purpose.

Subd. 3. The notice of each election shall be posted in at least one public and conspicuous place within each city and town included in the district, and shall be published in the official newspaper of the district or, if such paper has not been designated, in a legal newspaper having general circulation within the district, at least one week before the election. Failure to give such notice shall not invalidate the election of an officer of the district. Any voter may contest a hospital district election in accordance with Minnesota Statutes, Chapter 209, and any laws amending or supplementing the same, and said sections are hereby made applicable to hospital district elections.

Subd. 4. Any person desiring to be a candidate for member of the hospital board shall file with the clerk of the city or town in which he resides, not more than 60 nor less than 45 days before the election, an application to be placed on the ballot as a candidate for election either as member at large or as a member representing such city or town, and all such applications shall be forwarded forthwith to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town. Voting shall be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for, and the length of the term of, each office, with an additional blank space for the insertion of another name by the voter. The ballots shall be marked and initialed by at least two judges as official ballots and shall be used exclusively at the election. Any proposition to be voted upon may be printed on the same ballot as that provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to the applicable provisions of Minnesota Statutes, Chapter 206, and any laws amending or supplementing the same. Election judges may be appointed in such number as deemed necessary to receive the votes at each polling place, and may be paid by the district at a rate not to exceed \$1 per hour. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass. After canvassing the election, the board shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for that office. The clerk shall deliver such certificate to the person entitled thereto in person or by registered mail, and each person so certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office in the manner provided in subdivision 1 if the person elected thereto fails to qualify within said period, but such qualification shall be effective if made at any time before action to fill the vacancy has been taken.

Subd. 5. 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, and 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 clerk 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 regular 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 and compel the attendance of absent members.

Subd. 6. At its first regular meeting after each regular election, the board shall elect one of their number as chairman, and shall also select a clerk and treasurer who may be members of the board or others, as the board shall determine. The chairman, clerk, and treasurer shall hold office, as such, at the pleasure of the board, subject to the terms of any contract of employment which the board may enter into with the clerk or treasurer.

Subd. 7. The chairman shall preside at all meetings of the board, shall sign orders upon the treasurer for claims allowed by the board, and shall perform all duties usually incumbent upon such an officer. The clerk shall record the minutes of all meetings of the board, shall countersign all orders upon the treasurer, and shall be the custodian of all books and records of the district. The treasurer shall be the custodian of all moneys received by the district, and shall pay out money only on orders signed by the chairman and clerk. Each order shall state the nature of the claim for which it is issued, the name of the payee, and the fund on which it is drawn, and may be so drawn that when signed by the treasurer in an appropriate place it becomes a check on the depository of funds of the hospital district. In case of absence, inability, or refusal of the chairman, clerk, or treasurer to execute and disburse orders in payment of any claim duly allowed by the hospital board, the board may declare any of said offices vacant and fill the same by appointment. The board may also appoint a deputy to perform any and all functions and duties of any of said officers, subject to the supervision and control of such officer.

[1959 c 570 s 2; 1965 c 51 s 76, 77; 1971 c 338 s 1; 1973 c 123 art 5 s 7]

**447.33 POWERS.** Subdivision 1. Each hospital district created or reorganized under sections 447.31 to 447.37 shall have all of the powers necessary and convenient so that it may provide for the acquisition, betterment, operation, maintenance, and administration of such hospital and nursing home facilities as the hospital board shall determine to be necessary and expedient. The enumeration of specific powers herein is not intended to restrict the power of the board to take any action which, in the reasonable exercise of its discretion, is necessary or convenient for the furtherance of the purpose for which the district exists, and which is not otherwise prohibited by law, whether or not the power to take such action is necessarily implied from any of the powers herein expressly granted.

Subd. 2. Specifically, every district, acting through its hospital board, may:

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

(2) Cause reports, plans, studies, and recommendations to be prepared;

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

(4) Lease or construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) Adopt, by resolution, rules and regulations for the operation and administration of any and all hospital and nursing home facilities under its control, and for the admission of persons thereto;

(6) Impose by resolution, and collect, charges for all services and facilities provided and made available by it;

(7) Levy taxes as hereinafter prescribed;

(8) Borrow money and issue bonds as hereinafter prescribed;

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

(10) Sell or lease any of its facilities or equipment as may be deemed expedient;

(11) Cause audits to be made of its accounts, books, vouchers, and funds by competent public accountants.

[1959 c 570 s 3]

**447.34 PAYMENT OF EXPENSES; TAXATION.** Subdivision 1. Expenses of acquisition, betterment, administration, operation, and maintenance of all hospital and nursing home facilities operated by any hospital district, and the expenses of organization and administration of such district and of planning and financing such facilities, shall be paid from the revenues derived from such facilities, and to the extent necessary, from ad valorem taxes levied by the hospital board upon all taxable property situated within the district, and, to the extent determined from time to time by the board of county commissioners of any county in which territory of the district is situated, from appropriations made by said board in accordance with the provisions of Minnesota Statutes, Section 376.08, and any future laws amending or supplementing the same. Any moneys appropriated by such board of county commissioners for the acquisition or betterment of facilities of the hospital district may be transferred in the discretion of the hospital board to a sinking fund for bonds issued for that purpose. The hospital 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 its facilities, and subject to such terms as may be agreed upon. No taxes levied by a hospital district in any year, other than taxes levied for payment of bonded indebtedness, shall exceed in amount \$1.50 per capita of the population of the district according to the last state or federal census, if the amount proposed to be levied in excess of such amount, when added to the levy subject to the limitations of Minnesota Statutes, Section 275.10 or Section 275.11, of any of the municipalities within the district, would cause such municipal levy to exceed the limitations of such applicable section.

Subd. 2. On or before October 10 of each year the hospital board shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its expenses, and no later than October 10 the secretary of the hospital board shall certify such amount to the county auditor of each county containing territory situated within the hospital district. Each of said county auditors shall assess and extend upon the tax rolls for such year that portion of said amount which bears the same ratio to the whole amount as the assessed value of taxable property in that part of the hospital district located in his county bears to the assessed value of all taxable property in the hospital district.

Subd. 3. Each of said county auditors shall add the amount of any levy so determined to the other tax levies on property located within his county and within the hospital district, for collection by the county treasurer with other taxes. When collected, 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 other political subdivisions. The levies authorized by this section shall be in addition to any other county taxes authorized by law.

[1959 c 570 s 4; 1961 c 273 s 1]

**447.345 TEMPORARY BORROWING AUTHORITY.** Subdivision 1. Any hospital district located wholly outside the seven county metropolitan area and created or reorganized under sections 447.31 to 447.37 may borrow money not exceeding a total of \$50,000 indebtedness by issuing certificates of indebtedness in anticipation of taxes theretofore levied, revenues, and federal aids, the proceeds to be used for expenses of administration, operation and maintenance of its hospital and nursing home facilities.

Subd. 2. The district may authorize and effect such borrowing, and issue such certificates of indebtedness on passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary which resolution shall be adopted by a vote of at least two-thirds of its board members. The board shall fix the amount, date, maturity, form, denomination, and other details

thereof and shall fix the date and place for receipt of bids for the purchase thereof and direct the clerk to give notice thereof.

Subd. 3. No certificate shall be issued to become due and payable later than two years from the date of issuance. Certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate not to exceed eight percent per annum payable at maturity or at such earlier time as the board may determine. The proceeds of the current tax levies and revenues derived from the facilities of the district and future federal aids and any other district funds which may become available shall be applied to the extent necessary to repay such certificates and the full faith and credit of the hospital district shall be pledged for their payment.

[1971 c 103 s 1]

**447.35 BONDS.** Each hospital district may borrow money by the issuance of its general obligation bonds for the acquisition and betterment of hospital and nursing home facilities (including, but without limitation, the provision of an adequate working capital for a new hospital or nursing home), for ambulances and related equipment, for refunding its outstanding bonds, and for funding valid outstanding orders, by the procedure and subject to all of the limitations and conditions set forth in Minnesota Statutes, Chapter 475, and any future laws amending or supplementing the same, for the issuance of bonds by municipalities. No bonds of a hospital district shall be deemed to be excluded from its net debt by virtue of the provisions of Minnesota Statutes, Section 475.51, Subdivision 4(5). Except as may be authorized by special law, the taxes initially levied by any district in accordance with Minnesota Statutes, Section 475.61, for the payment of its bonds, upon property within each municipality included in the hospital district, shall be included in computing the limitations upon the levy of such municipality under Minnesota Statutes, Section 275.10 or Section 275.11, as the case may be; but nothing herein shall limit the taxes required by Minnesota Statutes, Section 475.74, to be levied by the district for payment of any deficiency in its bond sinking funds. If the tax required by section 475.61 to be levied for any year of the term of a bond issue upon property within any municipality included in the district would, when added to the taxes levied by such municipality for all purposes in the year preceding such issue, exceed the limitations prescribed in section 275.10 or section 275.11, the bonds shall not be issued without the consent by resolution of the governing body of such municipality. An election shall be required prior to the issuance of any but funding or refunding bonds. The proposition submitted at any such election shall be whether the hospital board shall be authorized to issue bonds of the district in a specified maximum amount, for the purpose of financing the acquisition and betterment of hospital and nursing home facilities, or of facilities of one of said types if it is not proposed to use the bond proceeds for facilities of the other type. Bonds issued by a hospital district shall not constitute indebtedness for any purpose of any county, city, or town whose territory is included therein. The interest on such bonds shall be exempt from taxation by the state or any of its political subdivisions.

[1959 c 570 s 5; 1969 c 333 s 4; 1973 c 123 art 5 s 7]

**447.36 ANNEXATION OF TERRITORY.** After the creation or reorganization of a hospital district any city or town whose territory is contiguous thereto at any point may request to be annexed to the district. Such resolution shall be subject to referendum in the manner provided in section 447.31, subdivision 3. All territory annexed shall be subject to taxation like other property in the district for the support of its facilities and 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 yet issued, the annexation shall not be requested unless approved by a majority of the electors of the city or town voting thereon at a regular or special election. The hospital board may in its discretion condition its approval of the annexation upon the contribution, by or on behalf of the city or town to be annexed, to the capital improvement fund or the bond sinking fund of the hospital district, of such amount 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 and towns in the district and their inhabitants,

and principal and interest already paid on bonds of the district. Any city 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. Each annexation shall become effective upon the date of adoption of the hospital board's resolution approving the same, or on such subsequent date as said resolution may prescribe. A certified copy of each such resolution shall be filed as provided in section 447.31, subdivision 4, for the resolutions creating the district.

[1959 c 570 s 6; 1973 c 123 art 5 s 7]

**447.37 POWERS SUPPLEMENTARY.** The powers granted herein are supplementary to and not in substitution for any other powers possessed by counties, cities and towns in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals and nursing homes and the creation of hospital districts.

[1959 c 570 s 7; 1973 c 123 art 5 s 7]

**447.38 DISSOLUTION; DETACHMENT OF TERRITORY.** Subdivision 1. Any hospital district created or reorganized pursuant to the provisions of Minnesota Statutes, Sections 447.31 to 447.37, may be dissolved upon a petition to the hospital district board stating the grounds for dissolution, as hereinafter provided, signed by an authorized officer or officers of the governing body of any city or town included in the hospital district pursuant to a resolution of the governing body and containing a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions. Except as otherwise provided, a proceeding for dissolution shall be governed by the provisions now or hereafter in force relating to proceedings for the organization of districts, so far as applicable. If the board determines that the conditions requisite for the creation of the district no longer exist therein, that all indebtedness of the district has been paid, and that all property of the district except funds has been disposed of, it may make an order dissolving the district and directing the distribution of its remaining funds, if any, among the related governmental subdivisions on such basis as the board determines to be just and equitable, to be specified in the order. Certified copies of the order for dissolution shall be transmitted and filed as provided for an order creating a district. The clerk of the board shall also transmit a certified copy of the order to the treasurer of the district, who shall thereupon distribute the remaining funds of the district as directed by the order, and shall be responsible for such funds until so distributed.

Subd. 2. Any city or town included in such hospital district may be detached therefrom by the same procedure as provided for dissolution of the district. On detachment, all taxable property within the detached area shall remain subject to taxation for any existing bonded indebtedness of the district to such extent as it would have been subject thereto if not detached, and shall also remain subject to taxation for any other existing indebtedness of the district incurred for any purpose beneficial to such area to such extent as the board may determine to be just and equitable, to be specified in the order for detachment. The proper officers shall levy further taxes on such property accordingly.

[1963 c 300 s 1; 1973 c 123 art 5 s 7]

**447.41 ESTABLISHMENT AND OPERATION; WITHDRAWAL.** Except cities of the first class, any city or town or any combination thereof acting jointly may, by resolution or ordinance, establish and operate a nursing home or home for the aged, and may acquire by lease not to exceed 15 years, gift, devise, purchase, condemnation or otherwise any property necessary or desirable and suitable for such purpose. The governing body of the city or town may by ordinance make such rules or regulations and provide for such managing board as it deems necessary for the operation of such nursing home or home for the aged. Any city or town may withdraw its interest in any nursing home or home for the aged with the consent of each city and town having an interest therein, and shall be paid such sums as may be agreed upon, having due regard for its investment in such home.

[1959 c 42 s 1; 1973 c 123 art 5 s 7]

**447.42 ESTABLISHMENT AND OPERATION OF COMMUNITY RESIDENTIAL FACILITIES FOR RETARDED AND CEREBRAL PALSIED PERSONS.** Subdivision 1. Notwithstanding any provision of Minnesota Statutes to the contrary, any city, county, town, or any nonprofit corporation approved by the com-

missioner of welfare, or any combination thereof may establish and operate a community residential facility for mentally retarded and cerebral palsied persons.

Subd. 2. Community residential facilities established under this section may be administered by a nonprofit corporation, by the political subdivision establishing same or by a community mental health-mental retardation board organized under sections 245.66 and 245.67.

Subd. 3. The premises and facilities for any community residential facility may be acquired by purchase, lease or gift and may be established and operated in connection with existing public and private facilities and institutions.

Subd. 4. Any political subdivision, as described in subdivision 1, may use unexpended funds, accept gifts, grants and subsidies from any lawful source, or make application for federal funds and may use such moneys or grant or loan such moneys to any nonprofit corporation approved by the commissioner of welfare for the establishment and operation of a community residential facility.

Subd. 5. Any community residential facility established and operated pursuant to this section shall meet all applicable licensure standards established by the commissioners of health and welfare.

[1974 c 292 s 1]

**447.45 HOSPITALS AND NURSING HOMES, FACILITIES FOR MENTALLY RETARDED; FINANCING AND LEASING.** Subdivision 1. Any county, city, or hospital district, except cities of the first class and counties in which are located any cities of the first class, is authorized, in addition to and not in substitution for any other power granted to it by law, to issue revenue bonds by resolution or resolutions of its governing body to finance the acquisition and betterment of hospital, nursing home and related medical facilities, or any of them, including but without limitation the payment of interest during construction and for a reasonable period thereafter and the establishment of reserves for bond payment and for working capital; provided however, that the authority granted by this section shall not apply to any facility to which sections 145.71 to 145.83 apply, unless a certificate of need has been issued.

Subd. 2. Any county or city, including cities of the first class and counties in which are located any cities of the first class, is authorized to exercise with respect to facilities, including health care facilities, for the care, treatment and training of the mentally retarded and persons with cerebral palsy, all of the powers conferred by sections 447.45 to 447.50 with the same force and effect as if these facilities were hospital or nursing home facilities within the meaning of sections 447.45 to 447.50.

[1971 c 844 s 1; Ex1971 c 48 s 51; 1974 c 292 s 2]

**447.46 REVENUE PLEDGED.** The county, city or hospital district may pledge and appropriate the revenues to be derived from its operation of the facilities, except related medical facilities, to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on all such revenues or, if so provided in the bond resolution, as a lien thereon subordinate to the current payment of a fixed amount or percentage or all of the costs of the operation, administration, and maintenance of the facilities.

[1971 c 844 s 2; 1973 c 123 art 5 s 7]

**447.47 LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.** The county, city or hospital district may lease hospital or nursing home facilities for operation, administration, and maintenance by a nonprofit or public corporation as a community hospital or nursing home, open to all residents of the community upon equal terms, and may lease related medical facilities to any person, firm, association or corporation, upon such rentals and for such term, not exceeding 30 years, and subject to such other conditions as may be agreed. The lessee may be granted an option to renew the lease, for an additional term or terms upon such conditions and rentals, or to purchase the facilities at such price, as may be provided. The county, city or hospital district may by resolution or resolutions of its governing body undertake and agree to pay to the lessee of hospital or nursing home facilities annually, and to include in each annual budget and tax levy for hospital and nursing home purposes, a fixed compensation determined by the governing body to be just and proper compensation for services agreed to be performed by the lessee in the operation, administration, and maintenance of the hospital or nursing home as a community facility; for any investment by the

