

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 217

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO HOSPITAL DISTRICTS; AMENDING SECTION 39-1339, IDAHO CODE, TO RE-
2 VISE WHAT IS IN THE INTEREST OF THE HOSPITAL DISTRICT AND IN THE PUBLIC
3 INTEREST OR NECESSITY FOR INCURRING INDEBTEDNESS, TO PROVIDE THAT CER-
4 TAIN INDEBTEDNESS BE PAYABLE OUT OF TAXES IN ORDER TO BE SUBMITTED TO THE
5 ELECTORS, TO REVISE THE AMOUNT REQUIRED TO SUBMIT CERTAIN MATTERS TO THE
6 ELECTORS, TO REMOVE PROVISIONS REGARDING THE REQUIREMENT TO SUBMIT CER-
7 TAIN MATTERS TO THE ELECTORS AND TO PROVIDE THAT INDEBTEDNESS OR LIABIL-
8 ITY MAY BE INCURRED WITHOUT ELECTION FOR CERTAIN MATTERS AND TO MAKE A
9 TECHNICAL CORRECTION.
10

11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Section 39-1339, Idaho Code, be, and the same is hereby
13 amended to read as follows:

14 39-1339. CREATION OF INDEBTEDNESS FOR WORKS, IMPROVEMENTS OR EQUIP-
15 MENT -- ELECTION ON PROPOSED INDEBTEDNESS -- INDEBTEDNESS OR LIABILITY
16 WITHOUT ELECTION. (1) Whenever the board of the hospital district shall by
17 resolution, determine that it is in the interest of said district and in the
18 public interest or necessity demand, the acquisition, construction, instal-
19 lation, or completion of any works or other improvements of facilities or the
20 construction, installation and maintenance of a hospital, hospital grounds,
21 medical clinic, nursing home, nurses' quarters and other structural compo-
22 nents or fixtures, or for the enlargement, improvement and acquisition of
23 existing hospital, hospital grounds, medical clinic, nursing home, nurses'
24 quarters and other structural components or fixtures, or the making of to
25 purchase, contract, lease or construct or otherwise acquire facilities,
26 equipment, technology and real property for health care operations or make
27 any contract with the United States or other persons or corporations, public
28 or private, municipalities or governmental subdivisions to carry out the
29 said public works, acquisitions, improvements, objects or purposes of said
30 district requiring the creation of an indebtedness payable out of taxes of
31 one five hundred thousand dollars (\$1500,000) or more, and in any event when
32 the indebtedness will exceed the income and revenue provided for the year,
33 the board shall order the submission of the proposition of issuing such obli-
34 gations or bonds or creating other indebtedness payable out of taxes to the
35 qualified electors of the district at an election held, subject to the pro-
36 visions of section 34-106, Idaho Code, for that purpose; whenever the board
37 of the hospital district shall by resolution determine that the interest of
38 said district and the public interest or necessity demand the acquisition of
39 medical or business equipment for said district requiring the creation of an
40 indebtedness of one hundred thousand dollars (\$100,000) or more and, in any
41 event, when the indebtedness will exceed the income and revenue as provided
42 for the year, the board shall order the submission of the proposition of

1 ~~creating such indebtedness to the qualified electors of the district at an~~
2 ~~election, subject to the provisions of section 34-106, Idaho Code, held for~~
3 ~~that purpose; provided, however, that no election shall be required for any~~
4 ~~lease or other transaction entered into between the hospital district and~~
5 ~~the Idaho health facilities authority. Notwithstanding any other provi-~~
6 ~~sion, the hospital district shall be entitled to enter into a lease or other~~
7 ~~transaction regardless of the amount involved with the Idaho health facili-~~
8 ~~ties authority upon determination by the board of the hospital district that~~
9 ~~it is in the interest of the hospital district and best interests of the pub-~~
10 ~~lic to enter into such lease or other transaction. The declaration of public~~
11 ~~interest or necessity, herein required, and the provision for the holding~~
12 ~~of such election may be included within one (1) and the same resolution,~~
13 ~~which resolution, in addition to such declaration of public interest or ne-~~
14 ~~cessity shall recite the objects and purposes for which the indebtedness is~~
15 ~~proposed to be incurred, the estimated costs of the works, improvements, or~~
16 ~~medical or business equipment, as the case may be, the amount of principal of~~
17 ~~the indebtedness to be incurred therefor, and the maximum rate of interest~~
18 ~~to be paid on such indebtedness. Such resolutions shall also fix the date~~
19 ~~upon which such election shall be held, and the manner of holding the same~~
20 ~~in accordance with the provisions of title 34, Idaho Code, and the method~~
21 ~~of voting for or against the incurring of the proposed indebtedness; such~~
22 ~~resolution shall designate the polling place or places and the county clerk~~
23 ~~shall appoint judges, provided, however, that no district shall issue or~~
24 ~~have outstanding its coupon bonds in excess of two percent (2%) of the market~~
25 ~~value for assessment purposes of the real and personal property within the~~
26 ~~said district, according to the assessment of the year preceding any such~~
27 ~~issuance of such evidence of indebtedness for any or all of the propositions~~
28 ~~specified in this election, provided, however, that such bonds shall not be~~
29 ~~issued, nor shall any indebtedness be incurred, at any time that there shall~~
30 ~~be a bond issue outstanding and unpaid for the construction, acquisition~~
31 ~~or maintenance of a county hospital in the county in which such district is~~
32 ~~organized.~~

33 (2) No election shall be required for any lease or other transaction
34 entered into between the hospital district and the Idaho health facilities
35 authority. Notwithstanding any other provision, the hospital district
36 shall be entitled to enter into a lease or other transaction regardless of
37 the amount involved with the Idaho health facilities authority upon determi-
38 nation by the board of the hospital district that it is in the interest of the
39 hospital district and best interests of the public to enter into such lease
40 or other transaction.

41 (3) Notwithstanding subsection (1) or (2) of this section and provided
42 that no property tax revenues shall be used for payment of indebtedness au-
43 thorized by this subsection, district hospitals, ancillary to their oper-
44 ations and in furtherance of health care needs in their service areas, may
45 incur indebtedness or liability without an election to purchase, contract,
46 lease or construct or otherwise acquire facilities, equipment, technology
47 and real property for health care operations.