

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0723.01 Nicole Myers x4326

SENATE BILL 23-068

SENATE SPONSORSHIP

Pelton R. and Exum,

HOUSE SPONSORSHIP

(None),

Senate Committees
Local Government & Housing

House Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE OPERATIONS OF A PUBLIC**
102 **HOSPITAL BOARD OF TRUSTEES CREATED BY A BOARD OF**
103 **COUNTY COMMISSIONERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law allows the residents of any county to present their board of county commissioners with a petition asking that a public hospital board of trustees (hospital board) be appointed and that an annual tax be levied for the establishment and maintenance of a public hospital in the county. The board of county commissioners may create, by

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

resolution, a hospital board to levy the tax and may appropriate money to the hospital board for purchasing or building a hospital and for maintaining the hospital. The bill makes the following changes regarding hospital boards:

- Currently, if a hospital board acquires real property, title to the real property must be in the name of the county. The bill authorizes real property to be in the name of either the county or the hospital.
- A hospital board has the authority to borrow money and incur indebtedness. The bill clarifies that any indebtedness incurred by a hospital board is an obligation of the hospital board and not an obligation of the board of county commissioners.
- Currently, a hospital board must have the approval of the board of county commissioners before incurring indebtedness. The bill specifies that a hospital board needs the approval of the board of county commissioners before incurring indebtedness only if the repayment of the indebtedness is dependent on tax money received for hospital purposes from the board of county commissioners.
- The bill allows a hospital board to offer to the general public products and services of any health care organization, association, partnership, or corporation to the extent that the products and services are consistent with the powers and duties of a county public hospital; and
- Each year, the board of county commissioners may appropriate not more than 5% of its general fund for the improvement or enlargement of any public hospital established in the county. The bill removes the annual 5% limit on appropriations from a county's general fund and also allows such money to be used for the operation of a public hospital.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** The short title of this act is the
3 "Colorado Frontier Hospitals Act of 2023".

4 **SECTION 2.** In Colorado Revised Statutes, 25-3-304, **amend**
5 (1)(c) and (2) as follows:

6 **25-3-304. Trustees - powers and duties.** (1) (c) Except as
7 described in subsection (1)(d) of this section, a public hospital board of

1 trustees may acquire by lease real and personal property subject to the
2 approval of the board of county commissioners. All tax money received
3 for hospital purposes must be paid out of the county treasury only upon
4 warrants drawn by the county commissioners upon sworn vouchers
5 approved by the public hospital board of trustees. All other money
6 received for the hospital must be deposited in the treasury of the hospital
7 and paid out only upon order of the public hospital board of trustees. If
8 a public hospital board of trustees acquires and holds hospital property
9 and facilities, including real and personal property, by conveyance on
10 transfer of title, then title to all lands must be in EITHER the name of the
11 county OR THE PUBLIC HOSPITAL'S CORPORATE NAME FOR THE HOSPITAL'S
12 USE AND BENEFIT. County hospitals situated in home rule counties have
13 the additional borrowing authority granted by section 30-35-201 (23)(b).

14 (2) (a) The ~~board of~~ public hospital BOARD OF trustees ~~shall have~~
15 HAS THE power to hire, retain, and remove agents and employees,
16 including administrative, nursing, and professional personnel, engineers,
17 architects, and attorneys, and to fix their compensation; ~~shall have~~ HAS
18 the power to borrow money and incur indebtedness, and to issue bonds
19 and other evidence of such indebtedness; except that no indebtedness
20 shall be created, except as otherwise provided by statute, in excess of the
21 revenue which may reasonably be expected to be available to the hospital
22 for repayment thereof in the fiscal year in which such indebtedness is to
23 be created, and except that no such indebtedness shall be incurred without
24 the approval of the board of county commissioners IF THE REPAYMENT OF
25 SUCH INDEBTEDNESS IS DEPENDENT ON TAX MONEY RECEIVED FOR
26 HOSPITAL PURPOSES FROM THE BOARD OF COUNTY COMMISSIONERS; and
27 shall in general carry out the spirit and intent of this part 3 in establishing
28 and maintaining a county public hospital. ANY INDEBTEDNESS INCURRED

1 BY A PUBLIC HOSPITAL BOARD OF TRUSTEES IS AN OBLIGATION OF THE
2 PUBLIC HOSPITAL BOARD OF TRUSTEES AND NOT AN OBLIGATION OF THE
3 BOARD OF COUNTY COMMISSIONERS THAT APPROVED THE INDEBTEDNESS.

4 (b) ~~Such~~ A board of public hospital trustees ~~shall~~ MUST hold
5 meetings at least once each month and ~~shall~~ MUST keep a complete record
6 of all its proceedings. Four members of the board ~~shall constitute~~
7 CONSTITUTES a quorum for the transaction of business. One of the trustees
8 ~~shall~~ MUST visit and examine said hospital at least twice each month, and
9 the public hospital board, during the first week in each January and July,
10 ~~shall~~ MUST file with the board of county commissioners a report of their
11 proceedings with reference to such hospital and a statement of all receipts
12 and expenditures during the half year. On or before each October first, the
13 board ~~shall~~ MUST certify to the board of county commissioners the
14 amount necessary to maintain and improve said hospital for the ensuing
15 year. No trustee shall have a personal pecuniary interest, either directly or
16 indirectly, in the purchase of any supplies for said hospital, unless the
17 same are purchased by competitive bidding.

18 (c) A PUBLIC HOSPITAL BOARD OF TRUSTEES MAY OFFER TO THE
19 GENERAL PUBLIC PRODUCTS AND SERVICES OF ANY HEALTH-CARE
20 ORGANIZATION, ASSOCIATION, PARTNERSHIP, OR CORPORATION TO THE
21 EXTENT THAT THE PRODUCTS AND SERVICES ARE CONSISTENT WITH THE
22 POWERS AND DUTIES OF A COUNTY PUBLIC HOSPITAL PURSUANT TO THIS
23 PART 3.

24 **SECTION 3.** In Colorado Revised Statutes, **amend** 25-3-308 as
25 follows:

26 **25-3-308. Improvements or enlargements.** In counties
27 exercising the rights conferred by this part 3, the board of county
28 commissioners may appropriate ~~each year~~ MONEY FROM ITS GENERAL

1 FUND, in addition to the tax for THE hospital fund provided for in section
2 25-3-301, ~~not more than five percent of its general fund~~ IN AN AMOUNT
3 THAT THE BOARD OF COUNTY COMMISSIONERS DEEMS APPROPRIATE for the
4 improvement, OPERATION, or enlargement of any public hospital so
5 established.

6 **SECTION 4. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly; except
9 that, if a referendum petition is filed pursuant to section 1 (3) of article V
10 of the state constitution against this act or an item, section, or part of this
11 act within such period, then the act, item, section, or part will not take
12 effect unless approved by the people at the general election to be held in
13 November 2024 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.