

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-0723.01 Nicole Myers x4326

SENATE BILL 23-068

SENATE SPONSORSHIP

Pelton R. and Exum, Priola, Roberts

HOUSE SPONSORSHIP

Lukens and Pugliese,

Senate Committees

Local Government & Housing

House Committees

Transportation, Housing & Local Government

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.

HOUSE
2nd Reading Unamended
March 17, 2023

SENATE
3rd Reading Unamended
February 22, 2023

SENATE
Amended 2nd Reading
February 21, 2023

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, 25-3-302, amend (3)
5 as follows:

6 **25-3-302. Board of trustees. (3) (a) EXCEPT AS OTHERWISE**
7 **PROVIDED IN SUBSECTION (3)(b) OF THIS SECTION, in those counties**

1 having WITH a population of less than three thousand, the board of public
2 hospital trustees shall consist of five citizens at large having THAT HAVE
3 the same requirements with reference to their fitness for such office as all
4 other counties. One of said THE trustees, so designated in such original
5 appointment, shall hold office until the second Tuesday of January
6 following his THEIR appointment, one until the second Tuesday of the
7 second January following his THEIR appointment, one until the second
8 Tuesday of the third January following his THEIR appointment, one until
9 the second Tuesday of the fourth January following his THEIR
10 appointment, and one until the second Tuesday of the fifth January
11 following his THEIR appointment. The term of office and the method of
12 filling vacancies shall be the same as for all other counties.

13 (b) THE BOARD OF COUNTY COMMISSIONERS OF A COUNTY WITH A
14 POPULATION OF LESS THAN THREE THOUSAND THAT CREATES A PUBLIC
15 HOSPITAL BOARD OF TRUSTEES MAY DETERMINE, BY A RESOLUTION OF THE
16 BOARD OF COUNTY COMMISSIONERS, THAT THE PUBLIC HOSPITAL BOARD
17 OF TRUSTEES SHALL CONSIST OF SEVEN, RATHER THAN FIVE, CITIZENS AT
18 LARGE THAT HAVE THE SAME REQUIREMENTS WITH REFERENCE TO THEIR
19 FITNESS FOR SUCH OFFICE AS ALL OTHER COUNTIES. FOR A PUBLIC
20 HOSPITAL BOARD OF TRUSTEES THAT IS CREATED AFTER THE EFFECTIVE
21 DATE OF THIS SUBSECTION (3)(b) AND THAT CONSISTS OF SEVEN MEMBERS
22 PURSUANT TO THIS SUBSECTION (3)(b), THE TRUSTEES SHALL HOLD OFFICE
23 AS IS SPECIFIED IN SUBSECTION (2) OF THIS SECTION. FOR A PUBLIC
24 HOSPITAL BOARD OF TRUSTEES THAT IS IN EXISTENCE WHEN THE BOARD OF
25 COUNTY COMMISSIONERS DETERMINES THAT THE PUBLIC HOSPITAL BOARD
26 OF TRUSTEES WILL CONSIST OF SEVEN MEMBERS, ONE OF THE ADDITIONAL
27 TRUSTEES SHALL HOLD OFFICE UNTIL THE SECOND TUESDAY OF THE THIRD
28 JANUARY FOLLOWING THEIR APPOINTMENT, AND THE OTHER ADDITIONAL

1 TRUSTEE SHALL HOLD OFFICE UNTIL THE SECOND TUESDAY OF THE FIFTH
2 JANUARY FROM THEIR APPOINTMENT. THE TERM OF OFFICE AND THE
3 METHOD OF FILLING VACANCIES SHALL BE THE SAME AS FOR ALL OTHER
4 COUNTIES.

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

7 **25-3-304. Trustees - powers and duties.** (1) (c) Except as
8 described in subsection (1)(d) of this section, a public hospital board of
9 trustees may acquire by lease real and personal property subject to the
10 approval of the board of county commissioners. All tax money received
11 for hospital purposes must be paid out of the county treasury only upon
12 warrants drawn by the county commissioners upon sworn vouchers
13 approved by the public hospital board of trustees. All other money
14 received for the hospital must be deposited in the treasury of the hospital
15 and paid out only upon order of the public hospital board of trustees. If
16 a public hospital board of trustees acquires and holds hospital property
17 and facilities, including real and personal property, by conveyance on
18 transfer of title, then title to all lands must be in EITHER the name of the
19 county OR THE PUBLIC HOSPITAL'S CORPORATE NAME FOR THE HOSPITAL'S
20 USE AND BENEFIT. County hospitals situated in home rule counties have
21 the additional borrowing authority granted by section 30-35-201 (23)(b).

22 (2) (a) The ~~board of~~ public hospital BOARD OF trustees ~~shall have~~
23 HAS THE power to hire, retain, and remove agents and employees,
24 including administrative, nursing, and professional personnel, engineers,
25 architects, and attorneys, and to fix their compensation; ~~shall have~~ HAS
26 the power to borrow money and incur indebtedness, and to issue bonds
27 and other evidence of such indebtedness; except that no indebtedness
28 shall be created, except as otherwise provided by statute, in excess of the

1 revenue which may reasonably be expected to be available to the hospital
2 for repayment thereof in the fiscal year in which such indebtedness is to
3 be created, and except that no such indebtedness shall be incurred without
4 the approval of the board of county commissioners IF THE REPAYMENT OF
5 SUCH INDEBTEDNESS IS DEPENDENT ON TAX MONEY RECEIVED FOR
6 HOSPITAL PURPOSES FROM THE BOARD OF COUNTY COMMISSIONERS; and
7 shall in general carry out the spirit and intent of this part 3 in establishing
8 and maintaining a county public hospital. ANY INDEBTEDNESS INCURRED
9 BY A PUBLIC HOSPITAL BOARD OF TRUSTEES IS AN OBLIGATION OF THE
10 PUBLIC HOSPITAL BOARD OF TRUSTEES AND NOT AN OBLIGATION OF THE
11 BOARD OF COUNTY COMMISSIONERS THAT APPROVED THE INDEBTEDNESS.

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

26 (c) A PUBLIC HOSPITAL BOARD OF TRUSTEES MAY OFFER TO THE
27 GENERAL PUBLIC PRODUCTS AND SERVICES OF ANY HEALTH-CARE
28 ORGANIZATION, ASSOCIATION, PARTNERSHIP, OR CORPORATION TO THE

1 EXTENT THAT THE PRODUCTS AND SERVICES ARE CONSISTENT WITH THE
2 POWERS AND DUTIES OF A COUNTY PUBLIC HOSPITAL PURSUANT TO THIS
3 PART 3.

4 **SECTION 4.** In Colorado Revised Statutes, **amend** 25-3-308 as
5 follows:

6 **25-3-308. Improvements or enlargements.** In counties
7 exercising the rights conferred by this part 3, the board of county
8 commissioners may appropriate ~~each year~~ MONEY FROM ITS GENERAL
9 FUND, in addition to the tax for THE hospital fund provided for in section
10 25-3-301, ~~not more than five percent of its general fund~~ IN AN AMOUNT
11 THAT THE BOARD OF COUNTY COMMISSIONERS DEEMS APPROPRIATE for the
12 improvement, OPERATION, or enlargement of any public hospital so
13 established.

14 **SECTION 5. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly; except
17 that, if a referendum petition is filed pursuant to section 1 (3) of article V
18 of the state constitution against this act or an item, section, or part of this
19 act within such period, then the act, item, section, or part will not take
20 effect unless approved by the people at the general election to be held in
21 November 2024 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.