

CHAPTER 301

HEALTH

HOUSE BILL 93-1347

BY REPRESENTATIVES George, Eisenach, Entz, Moellenberg, Williams, Kaufman, Acquafresca, Chlouber, Dyer, Fleming, Martin, and Taylor;
also SENATORS Johnson, Ament, Cassidy, Hopper, Pastore, Rizzuto, Wattenberg, Feeley, and L. Powers.

AN ACT

CONCERNING THE ENTERPRISE STATUS OF COUNTY HOSPITALS FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

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

SECTION 1. 25-3-304, Colorado Revised Statutes, 1989 Repl. Vol., is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

25-3-304. Trustees - powers and duties. (3) (a) THE BOARD OF PUBLIC HOSPITAL TRUSTEES MAY, IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (3), DESIGNATE THE HOSPITAL AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS SAID BOARD OF TRUSTEES RETAINS AUTHORITY TO ISSUE REVENUE BONDS AND THE HOSPITAL RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS. SO LONG AS THE HOSPITAL IS DESIGNATED AS AN ENTERPRISE PURSUANT TO THE PROVISIONS OF THIS SUBSECTION (3), THE HOSPITAL SHALL NOT BE SUBJECT TO ANY OF THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(b) (I) THE BOARD OF PUBLIC HOSPITAL TRUSTEES MAY, BY RESOLUTION, DESIGNATE THE HOSPITAL AS AN ENTERPRISE AS LONG AS THE HOSPITAL MEETS THE REQUIREMENTS FOR AN ENTERPRISE AS STATED IN PARAGRAPH (a) OF THIS SUBSECTION (3). SUCH DESIGNATION SHALL BE EFFECTIVE BEGINNING WITH THE BUDGET YEAR IMMEDIATELY FOLLOWING THE BUDGET YEAR IN WHICH SUCH RESOLUTION IS ADOPTED. SUCH RESOLUTION SHALL BE ADOPTED NO SOONER THAN NINETY DAYS AND NO LATER THAN THIRTY DAYS PRIOR TO THE COMMENCEMENT OF THE BUDGET YEAR IN WHICH SUCH DESIGNATION BECOMES EFFECTIVE.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(II) THE BOARD OF PUBLIC HOSPITAL TRUSTEES MAY, BY RESOLUTION, REVOKE THE DESIGNATION OF THE HOSPITAL AS AN ENTERPRISE. SUCH REVOCATION SHALL BE EFFECTIVE BEGINNING WITH THE BUDGET YEAR IMMEDIATELY FOLLOWING THE BUDGET YEAR IN WHICH SUCH RESOLUTION IS ADOPTED. SUCH RESOLUTION SHALL BE ADOPTED NO SOONER THAN NINETY DAYS AND NO LATER THAN THIRTY DAYS PRIOR TO THE COMMENCEMENT OF THE BUDGET YEAR IN WHICH SUCH REVOCATION BECOMES EFFECTIVE.

(III) UPON ADOPTION OF ANY RESOLUTION PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH (b), THE BOARD OF PUBLIC HOSPITAL TRUSTEES SHALL TRANSMIT A COPY OF THE RESOLUTION TO THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS AND THE APPROPRIATE BOARD OR BOARDS OF COUNTY COMMISSIONERS.

(IV) THE TERMINATION OR REVOCATION OF THE DESIGNATION OF THE HOSPITAL AS AN ENTERPRISE SHALL NOT AFFECT IN ANY MANNER THE VALIDITY OF ANY REVENUE BONDS ISSUED BY THE BOARD OF PUBLIC HOSPITAL TRUSTEES OF SUCH HOSPITAL PURSUANT TO SUBSECTION (4) OF THIS SECTION.

(c) (I) FOR PURPOSES OF THIS SUBSECTION (3), "GRANT" MEANS ANY DIRECT CASH SUBSIDY OR OTHER DIRECT CONTRIBUTION OF MONEY FROM THE STATE OR ANY LOCAL GOVERNMENT IN COLORADO WHICH IS NOT REQUIRED TO BE REPAYED.

(II) "GRANT" DOES NOT INCLUDE:

(A) ANY INDIRECT BENEFIT CONFERRED UPON A HOSPITAL FROM THE STATE OR ANY LOCAL GOVERNMENT IN COLORADO;

(B) ANY REVENUES RESULTING FROM RATES, FEES, ASSESSMENTS, OR OTHER CHARGES IMPOSED BY A HOSPITAL FOR THE PROVISION OF GOODS OR SERVICES BY SUCH AUXILIARY FACILITY;

(C) ANY FEDERAL FUNDS, REGARDLESS OF WHETHER SUCH FEDERAL FUNDS PASS THROUGH THE STATE OR ANY LOCAL GOVERNMENT IN COLORADO PRIOR TO RECEIPT BY A HOSPITAL.

(4) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (4), THE BOARD OF PUBLIC HOSPITAL TRUSTEES SHALL HAVE THE POWER TO ISSUE REVENUE BONDS, SECURED BY ANY REVENUES OF THE HOSPITAL OTHER THAN PROPERTY TAX REVENUES. NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION TO THE CONTRARY, SUCH REVENUE BONDS MAY PROVIDE FOR THEIR REPAYMENT OVER A TERM GREATER THAN ONE FISCAL YEAR. THE BOARD SHALL AUTHORIZE THE ISSUANCE OF REVENUE BONDS BY RESOLUTION, DULY APPROVED BY NO LESS THAN TWO-THIRDS OF THE ENTIRE MEMBERSHIP OF THE BOARD. ALL BONDS SHALL BE SIGNED BY THE PRESIDENT OF THE BOARD OF TRUSTEES, COUNTERSIGNED BY THE SECRETARY OF THE BOARD OF TRUSTEES, AND SHALL BE NUMBERED AND REGISTERED IN A BOOK KEPT BY THE SECRETARY OR THE SECRETARY-TREASURER, AS APPLICABLE. EACH BOND SHALL STATE UPON ITS FACE THE AMOUNT FOR WHICH SUCH BOND IS ISSUED, TO WHOM SUCH BOND IS ISSUED, AND THE DATE OF ITS ISSUANCE.

(b) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (b), THE ISSUANCE OF

ANY REVENUE BONDS PURSUANT TO THE PROVISIONS OF THIS SUBSECTION (4) SHALL NOT BECOME EFFECTIVE FOR A PERIOD OF THIRTY DAYS FOLLOWING THE ADOPTION OF ANY RESOLUTION AUTHORIZING SUCH ISSUANCE FOR THE PURPOSE OF ALLOWING THE BOARD OF COUNTY COMMISSIONERS TO REVIEW SUCH PENDING BOND ISSUE. SUCH REVIEW PERIOD SHALL COMMENCE UPON THE DATE OF RECEIPT BY THE BOARD OF COUNTY COMMISSIONERS OF WRITTEN NOTICE FROM THE BOARD OF PUBLIC HOSPITAL TRUSTEES OF SUCH PENDING REVENUE BOND ISSUE. DURING SAID THIRTY DAYS, THE BOARD OF COUNTY COMMISSIONERS MAY FILE A WRITTEN NOTICE WITH THE BOARD OF TRUSTEES STATING THAT THE BOARD OF COUNTY COMMISSIONERS HAS NO OBJECTION TO SUCH PENDING BOND ISSUE. UPON RECEIPT OF SUCH NOTICE OF NO OBJECTION, THE ISSUANCE OF SUCH REVENUE BONDS SHALL BECOME EFFECTIVE. IF, WITHIN SAID THIRTY DAYS, THE BOARD OF COUNTY COMMISSIONERS DOES NOT FILE WITH THE BOARD OF TRUSTEES EITHER A WRITTEN NOTICE OF NO OBJECTION OR A WRITTEN OBJECTION, THE ISSUANCE OF SUCH REVENUE BONDS SHALL BECOME EFFECTIVE. IF THE BOARD OF COUNTY COMMISSIONERS FILES A WRITTEN OBJECTION, THE ISSUANCE OF SUCH REVENUE BONDS SHALL BE PROHIBITED UNTIL SUCH TIME AS THE BOARD OF COUNTY COMMISSIONERS GIVES WRITTEN NOTICE TO THE BOARD OF TRUSTEES OF WITHDRAWAL OF THE BOARD'S OBJECTION.

SECTION 2. 25-3-303, Colorado Revised Statutes, 1989 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

25-3-303. Organization of trustees. (2) FOR PURPOSES OF PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S., ANY BOARD OF PUBLIC HOSPITAL TRUSTEES CREATED PURSUANT TO SECTION 25-3-302 SHALL CONTINUE TO BE A LOCAL PUBLIC BODY, AS DEFINED IN SECTION 24-6-402 (1) (a), C.R.S., REGARDLESS OF WHETHER THE HOSPITAL GOVERNED BY SUCH BOARD OF TRUSTEES IS DESIGNATED AN ENTERPRISE PURSUANT TO SECTION 25-3-304 (3).

SECTION 3. Part 3 of article 3 of title 25, Colorado Revised Statutes, 1989 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

25-3-315. Records of hospital. FOR PURPOSES OF PART 2 OF ARTICLE 72 OF TITLE 24, C.R.S., THE RECORDS OF ANY HOSPITAL ESTABLISHED PURSUANT TO THIS PART 3 SHALL CONTINUE TO BE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), C.R.S., REGARDLESS OF WHETHER SUCH HOSPITAL IS DESIGNATED AS AN ENTERPRISE PURSUANT TO SECTION 25-3-304 (3).

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 1993