

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

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**Legislative Document**

**No. 1527**

H. P. 1053

House of Representatives, March 8, 1967

Referred to Committee on Legal Affairs. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Watts of Machias.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-SEVEN

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**AN ACT to Create a Hospital Administrative District in Washington County.**

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**Emergency preamble.** Whereas, a hospital administrative district in Washington County is essential to take care of present day needs so that the people may receive medical attention when needed; and

Whereas, it is imperative that action be taken at the earliest possible moment to achieve these results; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

**Sec. 1. Incorporation; purposes.** The Towns of Whiting, Lubec, Cutler East Machias, Machiasport, Machias, Marshfield, Northfield, Wesley, Whitneyville, Roque Bluffs, Jonesboro, Jonesport, Beals, Addison, Columbia Falls, Columbia, Harrington, Cherryfield, Milbridge and Centerville, or any combination thereof as hereinafter provided, do hereby enter into an agreement for the formation of a hospital administrative district, a body politic and corporate. This hospital district shall acquire, or construct, maintain and operate a community general hospital for the care of those persons requiring it; for the purpose of leasing or letting any property of said district to an organization, association or corporation organized exclusively for charitable purposes, for maintaining and operating a hospital; for the purpose of receiving, accepting and holding gifts, grants or devises of property, real, personal or mixed, in

trust or otherwise, to be used for hospital and related hospital, medical and surgical purposes; all for the benefit of the inhabitants of said District.

This agreement shall endure in perpetuity.

This agreement shall create a hospital administrative district to be called Down East Community Hospital District #1. The hospital administrative district shall have any power or powers, privileges or authority exercised or capable of exercise by a public agency of this State.

**Sec. 2. Directors; powers and duties; limitations.** The district shall be governed by a board of directors, composed of one member from each town, except for Lubec and Machias, which shall each have 2 members. Immediately upon the acceptance of the district by any town, the municipal officers of said town shall appoint a director or directors according to the number to which such town is entitled, and such director or directors shall serve until the next regular town meeting. These members shall thereafter be elected by popular vote at the annual town meeting in each town. The term of office shall be 3 years. In the first year of organization, 1/3 of the members shall be elected for one year, 1/3 for 2 years, and 1/3 for 3 years. At the first meeting of the regularly elected board of directors, the appointments of one-year, 2-year and 3-year terms shall be determined.

The board of directors shall constitute the governing body of the district. They shall be responsible for providing a hospital physical plant equipped and staffed to maintain the needed facilities and services for patients. The governing body shall adopt bylaws in accordance with legal requirements; it shall meet at regular, stated intervals; it shall appoint necessary committees as indicated for special purposes; it shall establish a formal means of liaison with the hospital medical staff by a joint conference committee; it shall appoint members of the medical staff and a qualified hospital administrator.

No section of this agreement shall be construed to restrict the right to apply for the attending staff of any individual qualified to practice medicine and surgery under the laws of the State of Maine.

Any vacancy upon the board of directors, occurring because of resignation or other loss of a member, shall be filled by appointment by the selectmen of the town involved, this appointment to be effective until the next town meeting.

Each year the board of directors shall elect a president, a treasurer and a secretary. Upon appointment of a hospital administrator, he will serve as secretary ex-officio for the board.

**Sec. 3. How financed.** To procure funds to carry out the purpose of this agreement the district may, through its board of directors, borrow money and issue bonds and notes therefor to an indebtedness not to exceed \$250,000. Each bond shall bear interest at such rates as the board of directors may determine, payable annually or semiannually and subject to other provisions as determined by the directors. Said bonds and notes may be issued to mature serially or to run for such periods as said directors determine. All bonds shall be made callable. All bonds and notes issued by said district shall be signed by the treasurer and countersigned by the president of the district, and if coupon bonds be issued,

each coupon shall be attested by the facsimile signatures of president and treasurer printed thereon. Said bonds and notes shall be legal obligations of said district, which is hereby declared to be a quasi-municipal corporation within the meaning of the Revised Statutes, Title 30, section 5053, and all the provisions of said section shall be applicable thereto. The said bonds and notes shall be legal investments for savings banks. The said district may enter into agreement with the Federal Government, or any agency thereof, or any corporation or board authorized by the Federal Government to loan money or otherwise assist in the financing of such projects as this hospital district is authorized to carry out, as may be necessary to accomplish the purposes of this agreement.

**Sec. 4. Sinking fund; refunding bonds.** In case any bonds or notes at any time issued are made to run for a period of years, as distinguished from serial maturity, the directors shall establish a sinking fund for such bonds or notes for the purpose of redeeming the same when they become due. The amount to be paid annually into such sinking fund shall not be less than 4% of the total principal amount of such bonds or notes originally issued. In addition to such annual sinking fund payment, the directors shall have authority from time to time to add to any such sinking fund any funds of the district not required for other purposes. Funds in any sinking fund may be deposited in any national bank, savings bank or trust company within the State or may be invested in whole or in part in any bonds of the United States, of the State of Maine or of any political subdivision thereof, as the directors may determine. Interest received on any funds so invested shall be added to the sinking fund. When and if the amount accumulated in any sinking fund, together with interest received or to be received thereon, shall be sufficient to pay at maturity or, at the option of the directors, to redeem the bonds or notes for the benefit of which such sinking fund was established, all further payments to such sinking fund shall cease.

Whenever any bonds or notes issued by said district may become due or can be purchased or called for redemption by said district on favorable terms, said directors, if sufficient funds have accumulated in the sinking fund provided therefor, may pay, purchase or redeem said bonds and cancel them. In no case shall bonds or notes so paid, purchased or redeemed and cancelled, be reissued.

In case the amount in any sinking fund shall not be sufficient to pay the total amount, when due, of the bonds and notes for which such sinking fund was provided, or in case it shall become desirable in the opinion of the directors to call for redemption any outstanding bonds or notes and to issue new bonds or notes in their stead, authority is granted to refund so many of said original bonds or notes as cannot be paid or redeemed from the sinking fund provided therefor, if any, but in no case shall such new bonds or notes mature more than 40 years from the original date of issue of the original bonds or notes so refunded.

**Sec. 5. Assessment of taxes to meet indebtedness.** The board of directors of the hospital district shall determine each year what sum is required for sinking fund payments or if the bonds or notes authorized by this Act shall be issued to mature serially, what sum is required each year to meet the interest on said bonds, debts or other obligations, and what sum is required each year to meet

other necessary expenses in the district, and shall each year, before the first day of April, issue their warrants in the same form as the warrant of the Treasurer of State for taxes, with proper changes, to the assessors of towns constituting the hospital district. The proportion of the total assessment to be assessed to each town shall have the same relation as the proportion of the latest state valuation of that town had to the total state valuation of all the towns of the hospital district. These warrants shall require that each town of the hospital district assess the sum thus determined upon the taxable polls and estates within each town and to commit said assessment to the collector of each town, who shall have all authority and powers to collect said taxes as is vested by law to collect state, county and municipal taxes. On or before the 31st day of December of the year in which said taxes are levied, the treasurer of each town shall pay the amount so assessed to the treasurer of the hospital district. In case of a failure on the part of the town to pay said sum, or in case of failure to pay any part thereof on or before said 31st day of December of the year in which said tax is levied, the treasurer of said district may issue his warrant for the amount of said tax or so much thereof as shall then remain unpaid to the sheriff of Washington County, requiring him to levy by distress and sale on real and personal property of any of the inhabitants of said district, and the sheriff or any of his deputies shall execute said warrant, except as is otherwise provided herein. The same authority as is vested in county officials for the collection of county taxes, under the Revised Statutes, is vested in the directors of said district in relation to the collection of taxes within said district.

**Sec. 6. Emergency clause; effective date; referendum.** In view of the emergency cited in the preamble, this Act shall take effect when approved, only for the purposes of permitting its submission to the legal voters of each town enumerated in said district present and voting at a regular town meeting or at a special town meeting called and held for the purpose not later than 6 months after the effective date of this Act; provided that the boards of registration in such town shall not be required to prepare for posting, nor the town clerk to post, a new list of voters, and for the purpose of registration of voters, said board shall be in session for one hour next preceding such special meeting. The town clerks shall prepare the required ballots on which they shall reduce the subject matter of this Act to the following question: "Shall the Act to Incorporate the Down East Community Hospital District passed by the 103rd Legislature, be accepted?" The voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the same. The result in each town shall be declared by the municipal officers of such town and due certificate thereof filed by the town clerk of each town with the Secretary of State.

This Act shall take effect for all purposes hereof immediately in such towns accepting it by majority vote of the legal voters having had such town meeting in said town, provided that the total number of votes cast for and against the acceptance of this Act at such town meeting equals or exceeds 20% of the total vote for all candidates for Governor in said town at the next previous gubernatorial election, and, providing, further, that the State valuations of the towns so accepting in such meetings shall be not less than 50% of the total State valuation of all the towns hereinbefore enumerated according to the latest state valuation of said towns.

**Sec. 8. Dissolution.** The district may be dissolved only if all member towns agree to dissolve it by vote of legally constituted town meetings, in each town. If the hospital district has any outstanding indebtedness, it may not be dissolved. If the hospital district is dissolved, any property, real or personal or mixed, shall be distributed among the respective towns in proportion to their state valuations as herein set out in this Act.

**Sec. 9. Other towns may join.** After the formation of the hospital district, if there is another town which wishes to join the hospital district, it may do so by majority vote at its town meeting, plus the acceptance of said town by all the towns already in the district as expressed by a majority vote at the town meeting held in each town. Such town, if admitted as a new member, will pay no forfeit for entering late into the hospital district, nor will it be expected to raise money retroactively for projects already undertaken by the hospital district, but must assume its current share of any outstanding indebtedness.