

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1662

H. P. 1161

House of Representatives, May 16, 1967

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BERTHA W. JOHNSON, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT to Create Down East Community Hospital District No. 1.

Emergency preamble. Whereas, appropriate facilities for the medical care of the inhabitants of Washington County is essential to the health and wellbeing of all persons resident in said county who may require medical attention; and

Whereas, a hospital administrative district is essential to take care of the present day needs of said inhabitants; and

Whereas, it is imperative that action be taken at the earliest possible moment to bring adequate medical facilities to the inhabitants of the County of Washington; 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; name; purposes. The inhabitants of and the territory within, 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, are upon compliance with other provisions of this Act, hereby created a body politic and corporate under the name "Down East Community Hospital District No. 1," hereinafter called the "district", for the benefit and welfare of the inhabitants of said district, and for the following purposes: To acquire real property

within said district and to acquire or construct, maintain and operate a community general hospital for the care of the inhabitants of said district and those persons outside said district who may require medical care for the purpose of maintaining and operating a hospital or hospitals; 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.

Sec. 2. Board of trustees; election; organization; powers. All of the affairs of said district shall be managed by the board of trustees, composed of one member from each participating town, except in the case of the Towns of Lubec and Machias, which shall each have 2 members on said board. Except as shall be otherwise specifically provided, the board of trustees, acting for said district, shall have and exercise all of the power and authority necessary to carry out the purposes of this Act and the power and authority granted herein. The board shall be responsible for providing a hospital or hospitals appropriately equipped and staffed to meet and maintain adequate medical services for inhabitants and others admitted to said hospital or hospitals. The board shall have the power to adopt reasonable and proper bylaws for the conduct of its own affairs and the operation of the hospital or hospitals. The board shall be vested with the final authority in the admission or dismissal of any member of the medical staff and no bylaw shall be passed nor any system of selection created which shall restrict the right of any person qualified to practice medicine and surgery under the laws of this State to apply for admission to the medical staff of any hospital under the jurisdiction of the district. The board shall meet at regular stated intervals as shall be set forth in its bylaws. The board may appoint necessary committees and subcommittees as are necessary. It shall establish a formal means of liaison with the hospital medical staff by appointing a joint conference committee to consist of an equal number of members of the board and of the medical staff, and it shall have the authority to appoint members to the medical staff and a qualified hospital administrator and such other persons as shall be necessary to conduct the affairs of the District.

Each year, on the first day of April, the board of trustees shall meet and elect a president, vice-president, treasurer and a secretary, and such other officers as the board shall deem necessary. Upon appointment of a qualified hospital administrator, said administrator shall serve as secretary, ex officio, to the board of trustees. The treasurer need not be a member of the board of trustees.

Immediately upon the acceptance of this Act by the requisite number of towns, as herein provided, the municipal officers of each of said towns shall appoint a trustee or trustees according to the number to which such town is entitled, and such trustee or trustees shall serve until the term of office which shall be determined as hereinafter provided and an additional period until the next regular election of the town that they represent. Thereafter, the trustees' terms of office shall date from the time of each town's regular election.

An organizational meeting shall be held as soon as possible after the appointment of the respective trustees. It may be called by any one of the trustees so appointed by giving 48 hours written notice to all the other trustees so appointed of the date, time and place of the meeting, or said trustees may all waive notice

of said meeting and proceed as hereafter provided. At the organizational meeting of the trustees, they shall attempt as closely as possible by lot to determine those trustees who shall serve a term of one year, those who shall serve a term of 2 years and those who shall serve for 3 years. They shall, as closely as possible, provide that $1/3$ of the board shall serve for one year, $1/3$ for 2 years and $1/3$ for 3 years. After this determination the trustees shall enter on their records the determination so made and they shall elect the officers above named.

At the expiration of the term so determined, the vacancy shall be filled for a term of 3 years, and the trustees shall notify the municipal officers of the towns within the district before the annual town meeting of the fact that a vacancy will occur so that the municipal officers in the towns may provide for the election of a trustee or trustees to fill any vacancy that will occur. All trustees shall serve until their successors are elected and qualified.

When a vacancy on the board of trustees occurs by reason of death, resignation or otherwise, the selectmen or municipal officers of the town which the trustee represented shall fill the vacancy by selecting a trustee from the town to serve until the town shall fill the vacancy at its next annual town meeting. Any vacancy shall be filled only for the unexpired portion of the term. The person so chosen shall serve until his successor is elected and qualified. In case any member of the board of trustees shall move from the town which he represents, a vacancy shall be declared to exist by the board of trustees and the selectmen shall thereafter choose another director as provided.

No member of the board of trustees shall be employed as an employee or in any other capacity in any hospital or hospitals which come within the jurisdiction of the board of trustees of which he is a member.

The trustees shall receive no compensation for their services as trustees on said board. No member of the medical staff of any hospital or hospitals under the jurisdiction of this district shall serve as a trustee.

Sec. 3. Authority to issue bonds. To procure funds for such purposes of the district as are stated in section 1, but not for any expense of operation, the board of trustees of said district is authorized by a vote of not less than a majority of all of said trustees, to borrow money from time to time and to issue bonds in the name and on the full faith and credit of the district; provided the district shall not incur a total bonded indebtedness at any one time outstanding in excess of \$500,000. Each bond shall have inscribed upon its face the words "Down East Community Hospital District No. 1" and shall bear an impression of the district's seal. Each bond shall be dated at such time, be in such denomination, bear such rate of interest not exceeding 6% a year, payable semiannually, be in such form, subject to the provisions of this Act, and be sold in such manner, at public or private sale, as shall be determined by a majority vote of all of said trustees. Each issue of bonds shall mature in annual installments which shall be substantially equal or shall be so arranged that no installment payable in any year shall be less than the amount of any installment payable in any subsequent year. The first installment of any issue of bonds shall mature not later than 2 years from the date of such issue and the last installment shall mature not later than 25 years therefrom. Any premium received from the sale of said bonds, less

the cost of preparing, issuing and marketing them, shall be applied against the principal or the first of said bonds to mature. The proceeds arising from the sale of bonds issued under the authority of this Act shall be delivered to the treasurer of the board of trustees and such proceeds shall be expended for the purpose or purposes for which such bonds were authorized hereunder. No purchaser of any bonds issued under the authority of this Act shall be in any way responsible for the proper application of the proceeds derived from the sale hereof. All bonds and notes issued by the district shall be signed by the treasurer and countersigned by the president and the coupons appended to bonds shall be attested by the facsimile signature of the Treasurer printed thereon.

Said bonds, or any notes issued in anticipation of the issuance thereof, or in anticipation of any taxes levied hereunder shall be legal obligations of said district, which is hereby declared to be a quasimunicipal corporation within the meaning of the Revised Statutes, Title 30, section 5053, and all the provisions of said section shall be applicable thereto. Said bonds and notes shall be legal investments for savings banks. The district may enter into agreements with the Federal Government, or any agency thereof, or any corporation or board authorized by the Federal Government, or the Government of the State of Maine, to loan money or otherwise assist in the financing of such projects as this district is authorized to carry out, and as may be necessary to carry out the purposes of this Act.

Sec. 4. Referendum on bond issues. When the trustees shall have authorized the issue of any bonds, an attested copy of the vote of the trustees shall be forthwith filed with the municipal officers of each of the participating towns and published in a newspaper, having a circulation in the district, no later than 7 days following the day on which the vote was adopted by the trustees. A vote of the trustees authorizing an issue of bonds under this Act shall not become effective before the expiration of 15 days from the date upon which the vote is adopted. If within said period, a petition, signed by at least 10% of the residents in the district eligible to vote on the date that the issuance of bonds by the trustees was adopted as shown by the district's voting list, shall be filed with the president and the secretary of the board of trustees, asking that the question of whether such bonds to be issued be submitted to the voters of the district, such vote of the trustees shall be further suspended from becoming effective and the trustees shall immediately reconsider such vote. If such vote is not rescinded by the trustees, the question of whether such bonds shall be issued shall be submitted by the trustees to the voters of the district at a special meeting of the qualified voters in the district to be held in said district within 60 days of the receipt of the aforementioned petition. Said special meeting shall be called and held as provided in section 10, except that the notice shall set forth the vote of the trustees authorizing said bonds, the approval or disapproval of the issue of which is to be submitted to the voters of the district, together with the proposed form of the ballot to be used at such special meeting. At such special meeting a vote on the question of whether such bonds be issued shall be by ballot, the form of which shall be substantially as follows:

OFFICIAL BALLOT

DOWN EAST COMMUNITY HOSPITAL DISTRICT NO. 1

Shall bonds of Down East Community Hospital District No. 1 be issued in the amount of \$ _____, bearing interest not to exceed _____ per cent for the purpose of procuring funds for the following purposes, viz: (Insert brief description of purpose for which bonds are to be sold)?

If in favor of bond issue, make a cross (X) or (V) in this square.
Yes .

If opposed to the bond issue, make a cross (X) or (V) in this square. No .

If a majority of the qualified voters voting at such meeting, approve the issue of said bonds, the vote of the trustees authorizing said bonds shall become effective; if not so approved, said vote shall be null and void. The voters qualified to vote at said special meeting shall be determined by use of the district voting list.

Sec. 5. District voting list. The board of trustees of the district shall appoint a resident of said district to make and keep a voting list of all residents in the district eligible to vote. This person shall be known as the registration clerk. the registration clerk shall compile his voting list from the voting list of all municipalities lying within the district. At least 14 days before any meeting at which the inhabitants of the district are called upon to vote, the registration clerk shall bring this voting list up-to-date by comparing this list with those voting lists found in the towns of the district by making such additions and deletions as he finds necessary. No additions or deletions shall be made in the 14-day period prior to said meeting.

Sec. 6. Authority to issue temporary notes in anticipation of taxes. In any fiscal year in anticipation of taxes assessed for such year, the board of trustees of the district may, by a vote of a majority of its members, authorize the borrowing of money by the issuance and sale of temporary notes of the district; the amount of such borrowing shall not exceed in the aggregate the total amount of taxes levied in the current fiscal year less the amount thereof collected in the participating towns and paid to the treasurer of the board of trustees. Such temporary notes of the district may be issued for a period of not more than one year and any such temporary notes may be renewed from time to time by the issue of other temporary notes, provided the period from the date of issue of the original note is date of maturity or last renewal thereof shall not be more than one year.

Sec. 7. Agreements for financial assistance authorized. Said district is hereby authorized by vote of at least a majority of all the trustees to enter into an agreement with the State Government or Federal Government or any agency thereof or of any corporation or board authorized by the Federal Government or the State of Maine to loan money to or to otherwise assist in the financing of such projects as the district is authorized to finance by the issue of bonds as may be necessary or desirable to accomplish such purposes. The right to enter into

such agreement shall be subject to the right of referendum preserved to the voters in section 4, if the district incurs liability under any such agreement.

Sec. 8. Hospital rates; sinking fund. The board of trustees shall require all persons hospitalized in any hospital or hospitals of the district to pay to the treasurer of said district the rates established by said board of trustees for hospital care. The trustees may set rates that are lower for inhabitants of the district than for those hospitalized persons who reside outside the district. Such rates shall be so established, subject to other provisions of this Act, so as to provide revenue for the following purposes:

I. Expenses. To pay the current expenses of operating and maintaining the hospital or hospitals owned by said district and to provide for any necessary additions or renewals of same. The trustees, in their discretion, may establish depreciation reserves as well.

II. Interest. To provide for the payment of the interest on the indebtedness created or assumed by the district.

III. Principal. To provide each year a sum equal to pay the principal on any outstanding obligations issued by the district or to pay the principal obligations under any contract entered into pursuant to section 7.

IV. Surplus. If any surplus remains at the end of the year, it may be transferred to an account for the purpose of paying off the principal or interest on any outstanding obligation or it may be set aside in a surplus account.

Sec. 9. Annual reports and budget; levy of taxes. The fiscal year of the district shall be the calendar year. At the close of the fiscal year and not later than January 31st the trustees shall annually make a report of their doings, showing the financial condition of the district and other matters pertaining to the district as shall show the inhabitants of the district how said trustees are fulfilling the duties and obligations of the respective trusts. The report shall also include the amount of income from patients and other sources during that fiscal year and also the sum required each year to meet the bonds falling due and what further sum is necessary to meet the interest on said bonds or other obligations of the district and all other expenses necessary for the operation of the Community Hospital District, including temporary loans. Copies of said report shall be filed with the municipal officers of each participating town and may be distributed to the voters of the district by the respective participating towns in the same manner as is provided for town reports; provided the same shall be distributed not later than February 14th of each year. The cost of printing and distributing such reports shall be included in the operating budget of the district.

To the extent that the trustees may decide that the district cannot operate within its income according to the hospital rates set by it, the trustees shall determine what sum of money should be raised by taxation and before the first day of March of each year the trustees shall hold a district budget meeting. At this meeting the budget shall be thoroughly explained and the voters of the district shall be given an opportunity to be heard. If a budget is presented in any given year, it must be approved by the voters of the district at the district budget meeting. The voters of the district shall have the right to reject all or any part of

the budget presented by the board of trustees. To the extent that a budget is approved for any given year, the amount approved by the voters shall be apportioned to the participating towns in the same ratio that each participating town's latest state valuation is to the total state valuation of all participating towns. The Trustees shall thereupon issue their warrants in substantially the same form as the warrant of the Treasurer of State for taxes, to the assessors of each participating town, requiring them to assess upon the taxable polls and estates in said town the amount as approved and to commit the assessment to the constable or collector of said town who shall have all authority and powers to collect said taxes as is in him vested by law to collect state, county and municipal taxes. Any municipality may use the proceeds from gifts or trust funds allocated for hospital or medical purposes to reduce the actual amount of assessment to the local taxpayers. In the year in which the tax is so levied, the treasurer of each municipality shall pay the amount of the tax in 3 equal installments to the treasurer of the hospital district. The first installment shall be paid on or before April 15th, the 2nd installment shall be paid on or before August 15th and the 3rd installment on or before December 15th. In case of the failure of the treasurer of any municipality to pay any installment or part thereof on or before the date set forth above in the year in which the said tax is levied, the treasurer of the hospital district shall issue his warrant for the amount of said tax or so much thereof as shall then remain unpaid to the county sheriff, requiring him to levy by distress and sale on the real and personal property of any of the residents of said hospital district living in the municipality where such default takes place, and the sheriff or any of his deputies shall execute said warrant, except as otherwise provided. The same authority as is vested in county officials for the collection of county taxes under the Revised Statutes is vested in the trustees of said district in relation to the collection of taxes within such municipality.

Sec. 10. District budget meeting. When a district budget meeting is called to approve the hospital budget as prepared by the trustees, the trustees shall cause such a meeting as follows:

I. Each district meeting shall be called by a warrant. The warrant shall be signed by a majority of the trustees:

II. The warrant calling for the district meeting shall be as follows:

- (a) It shall specify the time and place of the meeting.
- (b) It shall set forth the proposed hospital budget in a manner to be decided by the trustees, and no other business may be acted upon.
- (c) It shall be directed to any resident of the hospital district by name, ordering him to notify the voters within said district to assemble at the time and place appointed.
- (d) An attested copy of the warrant shall be posted by the person to whom it is directed in some conspicuous public place in each of the municipalities within the hospital district, at least 7 days before the meeting.

(e) The person who gives notice of the meeting shall make his return on the warrant, stating the manner of notice in each municipality and the time when it was given.

III. The following provisions apply to the budget meeting ;

(a) Each person whose name appears on the district Voting List may attend and vote at a district budget meeting.

(b) The president of the trustees shall open the meeting by call for the election of a moderator, receiving and counting votes for a moderator and swearing in the moderator.

(c) As soon as he has been elected and sworn, the moderator shall preside at the meeting and he shall have all the powers granted to the moderator of a town meeting under the Revised Statutes.

(d) The secretary of the trustees of the hospital district shall record accurately all the votes of the district meeting.

(e) A majority vote of the legal voters present and voting shall be determinative of any vote or motion placed before said district meeting.

Sec. 11. Authority of Down East Community Hospital to convey; authority of district to receive property. Down East Community Hospital, a charitable corporation, is hereby authorized, subject to the necessary approval of appropriate authorities, federal and state, to convey to the district all its rights, title and interest in any property, real, personal or mixed, now owned, held or used by it for hospital purposes; subject to any debts, mortgages or other evidences of liability upon such property, and the district in addition to the authority granted in section 3, is hereby authorized to issue bonds for the purpose of funding or refunding any debt assumed upon the transfer as aforesaid. The trustees are hereby authorized to accept and hold gifts, grants or devises of property, real, personal or mixed to be used for hospital or medical purposes. The participating towns in the district are authorized to sell, convey, transfer, assign or deliver any property, real, personal or mixed, now held or used by them respectively for hospital purposes to the district and the district is hereby authorized to acquire, accept and receive the same.

Sec. 12. Additional participating towns. After the formation of the hospital district, the inhabitants and the territory within any town not originally in the district or any town named in section 1 which refused to join the district as provided in this Act, may be included within the district, provided that the town seeking to join votes by a majority vote at a town meeting legally called and held, to join said district and each of the participating towns within the district voting separately at town meetings called for the purpose of authorizing the addition of said town to the district, vote to authorize the addition of the requesting town. The town seeking admission, if admitted to the district, shall not be required to pay any money or moneys as a condition of entering the district, nor shall it be required to retroactively raise money for projects already undertaken by the hospital district, but said town must assume its current share of any outstanding indebtedness of the district then existing.

Sec. 13. Withdrawal. When the inhabitants of any participating town have indicated their desire to withdraw from the district by a $2/3$ vote of the legal voters in said town, present and voting in a special meeting, called and held in the manner provided by law for the calling and holding of town meetings, such withdrawal may be authorized by special Act of the Legislature upon such terms as may be contained in such special Act; provided no such withdrawal shall be permitted while the district shall have outstanding indebtedness.

Sec. 14. 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 section 1, present and voting 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 of the registrar of voters in such towns 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 or registrar 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 No. 1 passed by the 103rd Legislature, be accepted?”

The voters shall indicate by a cross (X) or check mark (V) placed against the words “Yes” or “No” their opinion of the same. The votes shall be counted as required by law and 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 each 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 in section 1 according to the latest state valuation of said towns, except, the district shall not become operational until the certificate required by section 15 has been filed.

Sec. 15. Certificate of organization. When the necessary votes have been obtained and the organizational meeting held as provided herein, a certificate of organization of the district shall be prepared by the trustees, indicating the towns which have accepted the Act. It shall be signed by the president, vice-president and treasurer and by a majority of the trustees and with such supporting documents as shall be necessary, said certificate and said documents shall be presented to the Attorney General for his consideration. If the Attorney General finds that this Act has been properly accepted, he shall endorse on the certificate that in his opinion said district has been legally formed and the trustees shall then cause said certificate, with the Attorney General's endorsement thereon, to be recorded in the office of the Secretary of State. The ap-

proval of such certificate by the Attorney General shall be conclusive evidence of the lawful organization of said district. When additional towns are added to the district, as provided herein, substantially the same procedure with respect to issuing a new certificate of organization, obtaining the approval of the Attorney General and the filing of same, shall be complied with. When the original certificate of organization is filed or any new certificate of organization is filed with the office of the Secretary of State, this filing shall be the effective date of the formation of said district or the addition of any new town or towns to said district and the rights of the district or any of the participating towns or any parties claiming under this Act shall be governed by said filing and the date thereof.