

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2046

S.P. 726

In Senate, March 25, 1999

An Act to Amend the Powers of Hospital Administrative District No. 1.

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CATHCART of Penobscot.
Cosponsored by Senator MICHAUD of Penobscot and
Representatives: CARR of Lincoln, GILLIS of Danforth, JOY of Crystal, STANLEY of
Medway.

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

2
3 **Sec. 1. P&SL 1967, c. 58, §1**, as repealed and replaced by P&SL
4 1967, c. 211, §1; as amended by PL 1971, c. 544, §144; as
5 repealed and replaced by P&SL 1975, c. 106, §1; as amended by
6 P&SL 1983, c. 92, §2; and repealed and replaced by P&SL 1987, c.
7 29, §1, is repealed and the following enacted in its place:

8 **Sec. 1. Incorporation; purposes.** The inhabitants of the
9 territory within the Towns of Mattawamkeag, Howland, Enfield,
10 Burlington, Lowell, Lincoln, Springfield, Lee, Passadumkeag,
11 Chester, Winn and Maxfield, Seboeis Plantation and Webster
12 Plantation are constituted and confirmed a body politic and
13 corporate to be known as "Hospital Administrative District No. 1"
14 in order to provide for the health, welfare and public benefit of
15 the inhabitants of the district. The hospital district shall
16 maintain and operate a hospital or critical access system,
17 including, but not limited to, acute care facilities, extended
18 care facilities, intermediate care facilities, free-standing
19 satellite facilities, critical access facilities and facilities
20 designed for utilization as offices by physicians and other
21 professionals, and generally provide for the health, welfare and
22 public benefit of the inhabitants of the district. Without
23 limiting the generality of this section, the district may also
24 establish or participate in affiliated organizations, either
25 alone or with others, and within or outside the district,
26 including, but not limited to, medical centers, health care
27 centers, networks, nursing centers, laboratories, clinics and
28 other medical, surgical or dental facilities, shared services
29 organizations and such other organizations or entities, on a
30 for-profit or nonprofit basis, as the district may consider
31 necessary or desirable from time to time, in order to provide,
32 alone or with others, for the health, welfare and public benefit
33 of the inhabitants of the district.

34
35 In effectuating any of the purposes of this section or any
36 of the other purposes permitted to be engaged in by the district,
37 the district may, subject to this Act, as amended and
38 supplemented from time to time, acquire real or personal
39 property, or any interest in the property, on either a temporary
40 or long-term basis, by gift, purchase, transfer, foreclosure,
41 lease or otherwise, including rights or easements; hold, manage,
42 operate, sell, assign, lease, encumber, mortgage or otherwise
43 dispose of any real or personal property, or any interest in the
44 property, or mortgage interest owned by it under its control,
45 custody or in its possession and release or relinquish any right,
46 title, claim, lien, interest, easement or demand however
47 acquired; apply for and accept from any source grants, loans,
48 advances and contributions of money, property, labor or other
49 things of value, to be held, used and applied for permitted
50

2 purposes; and lease or rent any lands, buildings, structures,
4 facilities or equipment from private parties to effectuate the
6 purposes permitted to be engaged in by the district, including
8 construction agreements, purchase or acquisition agreements,
10 partnership agreements, including limited partnership agreements,
12 joint ventures, participation agreements or agreements with
14 leasing corporations or other financial intermediaries.

16 **Sec. 2. P&SL 1967, c. 58, §2, as amended by P&SL 1987, c. 29,**
18 **§2, is repealed and the following enacted in its place:**

20 **Sec. 2. Board of directors; powers and duties; limitations.** The
22 district is governed by a board of directors, composed of 2
24 members from each town, except for Lincoln, which has 3 members.
26 These members are elected by popular vote or appointed by
28 municipal officials at the annual town meeting in each town. The
30 term of office is 3 years and members may serve an unlimited
32 number of consecutive terms. The board of directors shall ensure
34 that terms are staggered so that approximately 1/3 of its
36 membership is up for election each year.

38 The board of directors is responsible for carrying out the
40 purposes of the hospital district. The board of directors shall
42 adopt bylaws and policies; it shall meet at regular, stated
44 intervals; it shall appoint necessary committees as indicated for
46 special purposes, including an executive committee; it shall
48 establish a formal means of liaison with the hospital medical
50 staff by a joint conference committee; it shall appoint members
52 of the medical staff and a qualified hospital administrator. The
54 board of directors may appoint up to 9 of its members to serve on
56 the executive committee. The board of directors may delegate to
58 its executive committee such authority as the board determines
60 appropriate.

62 Any vacancy that occurs on the board of directors, occurring
64 because of resignation or other loss of a member, must be filled
66 by appointment by the municipal officers of the town involved,
68 this appointment to be effective until the next town meeting.

70 Each year the board of directors shall elect a president, a
72 vice-president and a treasurer. Upon appointment of a hospital
74 administrator, the administrator will serve as secretary ex
76 officio for the board of directors and the executive committee.
78 Each member of the board of directors may be paid a fee for each
80 official meeting of the board of directors that the directors
82 attend.

84 **Sec. 3. P&SL 1967, c. 58, §2-A is enacted to read:**

2 **Sec. 2-A. Public records and proceedings.** For purposes of the
4 Maine Revised Statutes, Title 1, chapter 13, meetings of the
6 board of directors constitute public proceedings only to the
8 extent that such meetings or any portion of those meetings
10 directly relate to the district's authority or obligations
12 expressly described in sections 2 to 12 of this chapter. For
 purposes of Title 1, chapter 13, the district's public records
 only include written, printed or graphic matter or any mechanical
 or electronic data compilation, directly relating to the
 district's authority or obligations expressly described in
 sections 2 to 12 of this chapter.

14 **Sec. 4. P&SL 1967, c. 58, §3, first sentence,** as repealed and
 replaced by P&SL 1973, c. 201, §1, is amended to read:

16 To procure funds for capital construction ~~ef~~ and equipment for
18 projects reviewed and approved by the appropriate regional and
20 state health planning agencies organized pursuant to the Maine
22 Revised Statutes, Title 22, section 253, ~~comprehensive health~~
24 planning, or any bodies succeeding to such function, or for
 refunding outstanding indebtedness created therefor, the board of
 directors of said district is authorized, by a vote of not less
 than a majority of all of said directors, to borrow money from
 time to time and to issue bonds in the name and on the full faith
 and credit of the district.

26 **Sec. 5. P&SL 1967, c. 58, §3, 2nd sentence,** as enacted by P&SL
28 1973, c. 201, §1, is amended to read:

30 To procure funds for any other purpose of the district, other
32 than any expense of operation, or for refunding outstanding
34 indebtedness created therefor, the board of directors of said
36 district is authorized by a vote of not less than a majority of
38 all of said directors, to borrow money from time to time and to
40 issue bonds in the name and on the full faith and credit of the
 district; provided the district ~~shall~~ does not incur a total
 bonded indebtedness pursuant to this sentence at any one time
 outstanding in excess of ~~\$1,500,000~~ \$4,500,000 or such greater
 limit if approved by a vote of not less than 3/4 of all of said
 directors.

42 **Sec. 6. P&SL 1967, c. 58, §3, last ¶,** as amended by P&SL 1975, c.
44 36, is further amended to read:

46 Said bonds, or any notes issued in anticipation of the
48 issuance ~~thereef of bonds,~~ or in anticipation of any taxes levied
50 ~~hereunder~~ under this section, or in anticipation of revenues,
 ~~shall-be~~ are legal obligations of said district, which is hereby
 declared to be a quasi-municipal corporation within the meaning
 of the Maine Revised Statutes, Title 30 30-A, section 5053 5701,

2 and all the provisions of said section shall-be are applicable
therete to the district. Said bonds and notes shall-be are legal
4 investments for savings banks.

6 **Sec. 7. P&SL 1967, c. 58, §4,** as repealed and replaced by P&SL
1967, c. 211, §2, is repealed and the following enacted in its
8 place:

10 **Sec. 4. Referendum on bond issues.** In the event the board of
directors authorizes the issue of any bonds, the board of
12 directors shall promptly file an attested copy of the vote with
the municipal officers of each of the towns within the district.
14 The board of directors shall also ensure that an attested copy of
the vote is published in a newspaper generally circulated in the
district, no later than 10 days following the day on which the
16 board of directors adopted its vote. In each case, the board of
directors shall ensure that the attested copy of the vote is
18 distributed and published, together with a statement explaining
the district's referendum procedures for bond issues.

20 The statement must specify that the board of directors' vote
22 will become effective on its terms unless, before the expiration
of 7 days from the date on which an attested copy of the vote was
24 first published, the president or the secretary of the board of
directors receives a petition signed by at least 10% of the
26 residents in the district eligible to vote requesting that the
vote not take effect. The petition must request the board of
28 directors to submit to the voters of the district the question of
whether bonds should be issued by the district. Eligibility to
30 vote must be measured as of the date on which the board of
directors adopted its vote. The statement must also state the
32 name and address of the president and secretary of the board of
directors.

34 A vote of the board of directors authorizing an issuance of
36 the bonds under this Act does not become effective before the
expiration of 7 days from the date upon which the vote and
38 statement are first published. If, within that period, a
petition signed by at least 10% of the residents in the district
40 eligible to vote is filed with the president or the secretary of
the board of directors requesting the board of directors to
42 submit to the voters of the district the question of whether such
bonds should be issued by the district, the board of directors'
44 vote must be further suspended from becoming effective and the
board of directors shall immediately reconsider that vote. If,
46 upon reconsideration, the board does not rescind its vote then,
within 60 days of receipt of the petition, the board of directors
48 shall submit to the voters of the district at a special district
meeting the question of whether such bonds must be issued.

The special district meeting must be called and held as provided in section 10 of this chapter, except that the warrant described in section 10 of this chapter must additionally set forth the vote of the directors authorizing said bonds, together with the proposed form of the ballot to be used at such special meeting. At the special district meeting, a vote on the question of whether the bonds must be issued must be voted on by ballot and the form must be as follows:

OFFICIAL BALLOT

HOSPITAL ADMINISTRATIVE DISTRICT NO. 1

Do you favor a bond issue for Hospital Administrative District No. 1 in the amount of \$..... bearing interest not to exceed percent for the purpose of procuring funds for the following purposes: (Insert brief description of purpose for which bonds are to be sold)?

If in favor of the bond issue, make a cross (X) or check (✓) in this square. Yes []

If opposed to the bond issue, make a cross (X) or check (✓)
in this square. No []

If a majority of the qualified voters voting at the special district meeting approve the issue of the bonds, the vote of the board of directors authorizing the issuance of the bonds becomes effective; if not approved, the vote is void. The voters eligible and qualified to vote at the special district meeting are determined by use of the district voting list as of the date on which the board of directors adopted its vote.

Sec. 8. P&SL 1967, c. 58, §5, as repealed and replaced by P&SL 1967, c. 211, §2, is repealed.

Sec. 9. P&SL 1967, c. 58, §5-A, as enacted by P&SL 1987, c. 29, §3, is amended to read:

Sec. 5-A. Authority to issue notes limited to portion of operating expenses. In addition to the other powers provided by this Act, the district may, by vote of a majority of its directors and without action by the voters of the district, issue notes of the district to pay expenses of operation the district, including, ~~but not limited to, capital and other expenditures for projects and services not previously carried out by the district~~ operating expenses and capital expenses. Notes issued pursuant to this section shall may not exceed at any one time outstanding more than 10% of the district's operating expenses as set forth in its last audited

financial statement and ~~shall--otherwise~~ must be commercially reasonable with respect to the length and terms of financing. The authority set forth in this section is in addition to that provided in sections 3,--5 and 6 of this Act chapter. Notes issued pursuant to this section ~~shall are~~ not be included in the limitations or indebtedness set forth in such other sections, and ~~shall may~~ not be subject to the procedural requirements of those sections. ~~Where--applicable,--notes--issued--pursuant--to--this section--shall--be--subject--to--section--4-A.~~

Sec. 10. P&SL 1967, c. 58, §8, first ¶, as repealed and replaced by P&SL 1967, c. 211, §2, is amended to read:

Sec. 8. Hospital rates; sinking fund. The board of directors 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--directors--for hospital--care~~ establish rates for services provided by the district. ~~The--directors--may--set--rates--that--are--lower--for inhabitants--of--the--hospital--care.~~ The directors may set rates that are lower for inhabitants of the district than for those hospitalized persons who reside outside the district. ~~Such~~ The rates ~~shall~~ must be ~~so~~ established, subject to other provisions of this Act, ~~so-as~~ to provide revenue for the following purposes:

Sec. 11. P&SL 1967, c. 58, §9, as enacted by P&SL 1967, c. 211, §2, is amended to read:

Sec. 9. Annual reports and budget; levy of taxes. The fiscal year of the district ~~shall-be is~~ the calendar year. ~~At-the-close-of the-fiscal-year-and-not-later-than-January-31st,--the-directors~~ No later than 30 days after completion of the audit for the fiscal year most recently ended, the board of directors shall annually make a report of their doings, showing the financial condition of the district and other matters pertaining to the district as shall-shew and showing the inhabitants of the district how said directors are fulfilling the duties and obligations of the respective trusts. The report shall must 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 or notes falling due and what further sum is necessary to meet the interest on said bonds or notes or other obligations of the district and all other expenses necessary for the operation of the district, including temporary loans. Copies-of-said-report shall-be-filed The board of directors shall file copies of the report with the municipal officers of each town within the district and may provide a copy of the report for publication in a newspaper of general circulation in the district. If the report is not so published, the municipal officers of each town within the district may be-distributed distribute the report to

2 the ~~respective~~ voters ~~of the district by the respective towns~~ in
the same manner as is provided for town reports. The cost of
printing such ~~the~~ reports shall must be included in the operating
4 budget of the district.

6 To the extent that the directors may decide that the
district ~~cannot~~ can not operate within its income according to
8 the hospital rates set by it, the directors shall determine what
sum of money should be raised by taxation for: (a) payment of
10 principal payable in such year on outstanding bonds or notes or
other obligations of the district; (b) payment of interest on the
12 indebtedness created or assumed by the district; and (c) other
specified expenses of the district, and, if the sum to be raised
14 by taxation exceeds the total of (a) and (b), before the first
day of March of each year the directors shall hold a special
16 district budget meeting as provided in section 10 of this
chapter. At this special district meeting, the budget shall must
18 be thoroughly explained and the voters of the district shall must
be given an opportunity to be heard. If a budget is presented in
20 any given year, it ~~shall be deemed~~ is considered approved except
to the extent that it ~~shall have~~ has been disapproved by the
22 voters of the district at the special district budget meeting.
The voters of the district shall have the right to disapprove all
24 or any part of the budget presented by the board of directors,
except provision for the payment of interest on or the principal
26 of notes or bonds or other obligations of the district. The
amount over and above the estimated income of the district
28 required to meet the expenses in the approved budget and the sums
included in any budget for the payment of interest on or the
30 principal of notes or bonds or other obligations of the district,
~~shall must~~ be apportioned to the participating towns in the same
32 ratio that each participating town's latest state valuation is to
the total state valuation of all participating towns. The
34 directors shall ~~thereupon~~ issue their warrants, in substantially
the same form as the warrant of the Treasurer of State for taxes,
36 to the assessors of each participating town, requiring them to
assess upon the taxable polls and estates in said town the amount
38 as approved and to commit the assessment to the constable or
collector of said town, who ~~shall have~~ has all authority and
40 power to collect said taxes as is ~~in him~~ vested in the constable
or collector by law to collect state, county and municipal
42 taxes. Any participating town may use the proceeds from gifts or
trust funds allocated for hospital or medical purposes to reduce
44 the actual amount of assessment to the local taxpayers. In the
year in which the tax is so levied, the treasurer of each
46 municipality shall pay the amount of the tax in 2 equal
installments to the treasurer of the district. The first
48 installment shall must be paid on or before August 15th and the
2nd installment on or before December 15th. In case of the
50 failure of the treasurer of any participating town to pay any
installment or part ~~thereof~~ of an installment on or before the

2 date set forth above in this section in the year in which the
3 said tax is levied, the treasurer of the district shall issue his
4 a warrant for the amount of said tax or so much thereof of the
5 tax as shall-then-remain remains unpaid to the county sheriff,
6 requiring him the sheriff to levy by distress and sale on the
7 real and personal property of any of the residents of said
8 district living in the town where such default takes place, and
9 the sheriff or any of his the sheriff's deputies shall execute
10 said warrant, except as otherwise provided. The same authority
11 as is vested in county officials for the collection of county
12 taxes under the Maine Revised Statutes is vested in the directors
13 of said district in relation to the collection of taxes within
14 such participating town.

15 Sec. 12. P&SL 1967, c. 58, §10, as enacted by P&SL 1967, c. 211,
16 §2, is amended to read:

17 Sec. 10. Special district meeting. The board of directors need
18 only call a special district meeting under the specific
19 circumstances expressly described in sections 4 and 9 of this
20 chapter. When a special district budget meeting is called to
21 approve--the--hospital--budget--as--prepared--by--the--directors as
22 required by sections 4 and 9 of this chapter, the directors shall
23 cause conduct such a meeting as follows:
24

25 1. Each special district meeting shall must be called by a
26 warrant. The warrant shall must be signed by a majority of the
27 directors.

28 2. The warrant calling for the special district meeting
29 shall must be as follows+.

30 A. It shall must specify the time and place of the meeting.

31 B. It shall must set forth the proposed hospital budget or
32 bond question in a manner to be decided by the directors,
33 and no other business may be acted upon.

34 C. It shall must be directed to any resident of the
35 district by name, ordering him the resident to notify the
36 voters within said district to assemble at the time and
37 place appointed.

38 D. An attested copy of the warrant shall must be posted by
39 the person to whom it is directed in some conspicuous public
40 place in each of the municipalities within the district, at
41 least 7 days before the meeting.

42 E. The person who gives notice of the meeting shall make
43 his a return on the warrant, stating the manner of notice in
44 each municipality and the time when it was given.

3. The following provisions apply to the special district budget meeting+.

A. Each person whose name appears on the district voting list may attend and vote at a special district budget meeting.

B. The president of the directors 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~~ has all the powers granted to the moderator of a town meeting under the ~~Maine~~ Revised Statutes.

D. The secretary of the directors of the district shall record accurately all the votes of the district meeting.

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

Sec. 13. P&SL 1967, c. 58, §10-B is enacted to read:

Sec. 10-B. District voting list. The board of directors of the district shall appoint a resident of that district to make and keep a voting list of all residents in the district eligible to vote. This person is known as the registration clerk. The registration clerk shall compile a voting list from the voting lists of all towns within the district. At least 2 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 the list with those voting lists found in the towns of the district by making such additions and deletions as the registration clerk finds necessary. Additions or deletions may not be made in the 2-day period before that meeting.

Sec. 14. P&SL 1967, c. 58, §13, as amended by P&SL 1979, c. 81, is repealed.

SUMMARY

This bill amends the powers of Hospital Administrative District No. 1.