

House BILL NO. 421

INTRODUCED BY

*Enck*

*Beck*

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS ON COUNTY HOSPITALS; PROVIDING FOR COUNTY HEALTH CARE FACILITIES; PROVIDING FOR THE PLEDGE OF TAXES TO THE REPAYMENT OF CERTAIN BONDS; AUTHORIZING THE CONSTRUCTION, LEASING, AND FINANCING OF HEALTH CARE FACILITIES; CLARIFYING THAT CERTAIN BONDS MAY BE ISSUED WITHOUT AN ELECTION; AMENDING SECTIONS 7-6-2512, 7-8-2102, 7-8-2103, 7-34-2201, 7-34-2202, 7-34-2203, 7-34-2204, 7-34-2301, 7-34-2303, 7-34-2401, 7-34-2402, 7-34-2411, 7-34-2414, 7-34-2415, 7-34-2416, 7-34-2417, 7-34-2418, 7-34-2501, AND 53-2-802, MCA; REPEALING SECTIONS 7-34-2302 AND 7-34-2412, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-6-2512, MCA, is amended to read:

"7-6-2512. County tax levy for ~~nursing homes and hospital~~ health care facilities. (1) The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county ~~for the erection, maintenance, and operation of~~ to erect, furnish, equip, expand, improve, maintain, and operate county-owned or county-operated ~~hospitals and nursing homes or other hospital~~ health care facilities created under 7-8-2102, 7-34-2201, ~~7-34-2301,~~ and 7-34-2502. "Hospital Health care facilities" as used in this section ~~means a hospital or hospital-related facility, including outpatient facilities, public health centers, rehabilitation facilities, long-term care facilities, and infirmaries~~ has the meaning as defined in 7-34-2201. The combined total number of mills levied under this section and for the county poor fund under 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531 through 7-6-2537 or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district.

(2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care facility, the board of county commissioners may covenant to levy the tax authorized by this section during the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of

1 erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility  
 2 or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes  
 3 to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the  
 4 purpose of any statutory limitation or restriction. The pledge may be made by the board only upon  
 5 authorization of a majority of the electors of the county voting on the pledge at a general or special election  
 6 as provided in 7-34-2414."

7  
 8 **Section 2.** Section 7-8-2102, MCA, is amended to read:

9 **"7-8-2102. Erection and maintenance of county buildings.** The board of county commissioners has  
 10 jurisdiction and power, under ~~such~~ the limitations and restrictions ~~as are~~ prescribed by law, to ~~cause to be~~  
 11 ~~erected, furnished, and maintained~~ erect, furnish, equip, expand, improve, and maintain a courthouse, jail,  
 12 ~~hospital~~ health care facility, civic center, youth center, park buildings, museums, recreation centers, and  
 13 any combination ~~thereof~~ of those buildings and ~~such~~ any other public buildings as may be necessary."

14  
 15 **Section 3.** Section 7-8-2103, MCA, is amended to read:

16 **"7-8-2103. Authorization to create county building commission.** (1) The board of county  
 17 commissioners ~~shall have the power to~~ may create a commission for the management of ~~such~~ a civic  
 18 center, a youth center, park buildings, museums, county parks, recreation centers, ~~hospitals~~ health care  
 19 facilities, or any combination of ~~two or more thereof~~ those buildings. ~~Such~~ The commission ~~shall~~ must be  
 20 composed of the ~~chairman~~ presiding officer of the board of county commissioners and five lay members  
 21 to be appointed by the board. In cases ~~where~~ in which a commission has been appointed, the commission,  
 22 together with the board, ~~shall have~~ has the power to employ a manager.

23 (2) The terms of office for the first lay members of the commission ~~shall be~~ are, respectively, one  
 24 for 1 year, two for 2 years, and two for 3 years. On the expiration of ~~such~~ the terms of ~~figures 1, 2, and~~  
 25 ~~3 years, their,~~ the successors shall hold office for 3 years each.

26 (3) All of the ~~above~~ persons in subsection (2) shall serve without compensation."

27  
 28 **Section 4.** Section 7-34-2201, MCA, is amended to read:

29 **"7-34-2201. Erection and management of county ~~hospital~~ health care facilities -- definition --**  
 30 **provision of health care services.** (1) The board of county commissioners has jurisdiction and power, under

1 ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law, to ~~cause a hospital to be erected, furnished,~~  
 2 ~~and maintained~~ erect, furnish, equip, expand, improve, and maintain health care facilities and to provide  
 3 health care services in those facilities as permitted by law.

4 (2) The board of county commissioners of ~~any a~~ county ~~of this state which now~~ that has or may  
 5 ~~hereafter~~ acquire title to a site and building or buildings suitable for county ~~hospital~~ health care purposes  
 6 shall ~~have~~ has jurisdiction and power, under ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law,  
 7 to erect, furnish and, equip such, expand, improve, maintain, and operate the building or buildings for  
 8 ~~hospital~~ health care purposes ~~in accordance with and~~ as provided by ~~the provisions of~~ this section.

9 (3) As used in parts 21, 23, 24, and 25 and this part, unless the context clearly requires otherwise,  
 10 the term "health care facility" means a hospital, a medical assistance facility, an ambulatory surgical facility,  
 11 a hospice, a kidney treatment center, an outpatient facility, a public health center, a rehabilitation facility,  
 12 a long-term care facility, or an adult day-care center, as defined in 50-5-101, or any combination and  
 13 related medical facilities including offices for physicians or other health care professionals providing  
 14 outpatient, rehabilitative, emergency, nursing, or preventive care."

15

16 **Section 5.** Section 7-34-2202, MCA, is amended to read:

17 **"7-34-2202. Hospital Health care facilities commission.** The board of county commissioners shall  
 18 ~~have the power to~~ may create a commission for the management of ~~such hospitals~~ health care facilities,  
 19 as provided in 7-8-2103."

20

21 **Section 6.** Section 7-34-2203, MCA, is amended to read:

22 **"7-34-2203. Provision of health care for indigent and nonindigent sick services.** A county ~~hospital~~  
 23 ~~so erected and furnished~~ health care facility may be used ~~for the hospitalization of the indigent sick of the~~  
 24 county to provide health care services. ~~Any county hospital which has heretofore been or which may~~  
 25 ~~hereafter be erected and furnished under the provisions of 7-34-2201 may also be used for the~~  
 26 ~~hospitalization of the nonindigent sick provided said nonindigent sick pay a reasonable fee for such~~  
 27 ~~hospitalization and provided further that, except in cases of emergency, there are no indigent sick needing~~  
 28 ~~hospitalization who would be deprived of hospitalization by reason of the use of said hospital facilities by~~  
 29 ~~nonindigents."~~

30

1           **Section 7.** Section 7-34-2204, MCA, is amended to read:

2           **"7-34-2204. Lease of county property for ~~hospital~~ health care purposes.** (1) The board of county  
3 commissioners has jurisdiction and power, under the limitations and restrictions prescribed by law, to lease  
4 county buildings, equipment, furniture, and fixtures for ~~hospital~~ health care facility purposes, with full  
5 power of lessor except as ~~hereinafter~~ limited in this section, upon the terms and conditions as the board  
6 may decide upon. The rentals received under the lease or leases ~~shall~~ must be paid into the general fund  
7 of the county, or if the lease is of a long-term care facility or portion of a long-term care facility, the rentals  
8 must be paid into the county poor fund, except as provided in subsection (2)(a).

9           (2) (a) ~~No~~ A lease may not be made for a ~~longer~~ longer period longer than 5 years except in a case of  
10 financing in which bonds are to be or have been issued in accordance with 7-34-2411 ~~through 7-34-2418~~,  
11 in which case the lease may ~~terminate at~~ extend until the maturity date of the bonds sold and in which case  
12 bond payments may be made from lease receipts.

13           (b) The board may not enter into a ~~contract of~~ lease without ~~and until~~ first having advertised in a  
14 newspaper published in the county at least once a week for 5 weeks that the ~~buildings and equipment~~  
15 health care facility or designated portion of a health care facility, including equipment if applicable, are is  
16 for lease for ~~hospital~~ health care purposes."

17

18           **Section 8.** Section 7-34-2301, MCA, is amended to read:

19           **"7-34-2301. Construction and operation of county boarding ~~or nursing~~ home authorized.** The board  
20 of county commissioners may erect, furnish, equip, expand, improve, maintain, and operate a boarding  
21 home ~~or nursing home~~ for the aged or infirm that does not constitute a health care facility, subject to any  
22 applicable standards established by the department of health and environmental sciences. A boarding home  
23 may be located adjacent to or in a building containing a health care facility and may be operated in  
24 conjunction with the health care facility."

25

26           **Section 9.** Section 7-34-2303, MCA, is amended to read:

27           **"7-34-2303. Lease of county property for boarding ~~or nursing~~ home.** (1) The board of county  
28 commissioners may lease ~~and demise~~ county buildings, equipment, furniture, and fixtures for the purpose  
29 of operation of a boarding home ~~or nursing home~~ for aged or infirm persons, with full power of lessor  
30 except as limited in this part, upon terms and conditions as the board ~~shall~~ may decide upon.

1 (2) The rentals received under the lease or leases must be paid into the poor fund of the county,  
 2 or if bonds have been issued under 7-34-2411 to finance or refinance the costs of a boarding home, the  
 3 rentals must be applied, as necessary, to the payment of the principal of or interest on the bonds.

4 (3) (a) Except as provided in subsection (3)(b), the lease ~~and demise~~ may not be made for a longer  
 5 period longer than 5 years.

6 (b) ~~If a lessee of a nursing home is required to undertake capital improvements by state or federal~~  
 7 ~~agencies administering health and safety laws and the undertaking requires financing from sources other~~  
 8 ~~than county revenues, the term of the lease and demise may correspond to the term of the financing but~~  
 9 ~~may not exceed 15 years.~~ A lease may be made for a period longer than 5 years when bonds are to be  
 10 or have been issued under 7-34-2411, in which case the lease may extend until the maturity date of the  
 11 bonds.

12 (4) The board may not enter into a ~~contract~~ of lease unless it has advertised in a newspaper  
 13 published in the county at least once a week for 5 weeks that specified buildings and equipment are for  
 14 lease for the purpose of a boarding home ~~or nursing home~~ for aged or infirm persons."

15  
 16 **Section 10.** Section 7-34-2401, MCA, is amended to read:

17 "**7-34-2401. Depletion allowance reserve fund authorized.** The governing body of ~~any a~~ county  
 18 ~~in Montana~~ may establish a depletion allowance reserve fund for the replacement and acquisition of  
 19 property and equipment for county-operated ~~hospitals and nursing homes~~ health care facilities created under  
 20 7-8-2102, 7-34-2201, ~~7-34-2301~~, and 7-34-2502."

21  
 22 **Section 11.** Section 7-34-2402, MCA, is amended to read:

23 "**7-34-2402. Sources of money for depletion allowance reserve fund.** Money for the depletion  
 24 allowance reserve fund may be derived from:

25 (1) public and private grants;

26 (2) money collected by the ~~hospital or nursing home~~ health care facility for which the fund is  
 27 created, from or for indigent patients or residents, that ~~are~~ is in excess of the expenses incurred for the care  
 28 of ~~such~~ the patients or residents."

29  
 30 **Section 12.** Section 7-34-2411, MCA, is amended to read:

1           "**7-34-2411. ~~Hospital and nursing home~~ County health care facility bonds authorized.** (1)  
 2 Notwithstanding any limitation imposed by law upon the bonded indebtedness of a county, a county  
 3 ~~constructing~~ acquiring, erecting, furnishing, equipping, expanding, improving, or maintaining a ~~hospital or~~  
 4 ~~nursing home~~ health care facility under 7-8-2102 or 7-34-2201 or a boarding home under 7-34-2301 may  
 5 borrow money and issue its bonds ~~therefor~~ for a health care facility or a boarding home, including refunding  
 6 bonds, in ~~such~~ the form and upon ~~such~~ the terms as it may determine, payable out of any ~~revenues~~ revenue  
 7 of the facility or boarding home, respectively, including ~~revenues~~ revenue derived from:

- 8           (a) fees and payments for ~~hospital or nursing~~ health care or boarding home services;  
 9           (b) taxes levied under 7-6-2512 or 7-34-2417 for a health care facility;  
 10          (c) grants or contributions from the federal government; or  
 11          (d) any other sources.

12           (2) For the security of ~~any such~~ the bonds, the county may by resolution make and enter into any  
 13 covenant, agreement, or indenture and exercise any additional powers authorized to be made, entered into,  
 14 or exercised by a county, including those authorized in 7-6-2512 and this part. The sums required ~~from time~~  
 15 ~~to time~~ to pay principal and interest and to create and maintain a reserve for the bonds may be made  
 16 payable from any and all ~~revenues referred to in 7-34-2411 through 7-34-2418~~ revenue of the health care  
 17 facility or boarding home prior to the payment of current costs of operation and maintenance of the  
 18 facilities."

19

20           **Section 13.** Section 7-34-2414, MCA, is amended to read:

21           "**7-34-2414. Election required on question of issuance of bonds.** (1) ~~No bonds~~ A county may be  
 22 ~~issued by any county~~ not issue bonds to which all or a portion of the taxes levied under 7-6-2512 are  
 23 pledged or to which the general tax authorized under 7-34-2418 is pledged until the question of approval  
 24 of the issuance of ~~such~~ the bonds has been submitted to the registered electors of the county at a general  
 25 election or a special election called for that purpose by the governing body of the county and the majority  
 26 of the electors voting on the question have voted in favor ~~thereof~~ of the bonds. The notice and conduct  
 27 of the election ~~shall~~ must be governed, to the extent applicable, by the laws governing the election on  
 28 county general obligation bonds in chapter 7, part 22.

29           (2) If less than a majority of the electors voting ~~thereon~~ on the issuance of the bonds vote ~~against~~  
 30 in favor of the issuance of the bonds, the county ~~shall have no authority to~~ may not issue the bonds under

1 7-34-2411 through ~~7-34-2418~~."

2

3 **Section 14.** Section 7-34-2415, MCA, is amended to read:

4 "**7-34-2415. Details of bonds.** (1) The bonds may be sold at public or private sale and ~~shall~~ bear  
5 interest at a rate or rates as provided in 17-5-102. The bonds may be for a 40-year period.

6 (2) Except as otherwise provided in 7-34-2411 and 7-34-2413 through 7-34-2418, any bonds  
7 issued pursuant to 7-34-2411 and 7-34-2413 through 7-34-2418 by a county ~~shall~~ must be payable as to  
8 principal and interest solely from ~~revenues~~ revenue of the county and ~~shall~~ must state on their face the  
9 applicable limitations or restrictions regarding the source or sources from which ~~such~~ the principal and  
10 interest are payable."

11

12 **Section 15.** Section 7-34-2416, MCA, is amended to read:

13 "**7-34-2416. Tax-exempt status of bonds.** Bonds issued by a county pursuant to the provisions  
14 of 7-34-2411 and 7-34-2413 through 7-34-2418 are declared to be issued for an essential public and  
15 governmental purpose by a political subdivision within the meaning of 15-30-111(2)(a)."

16

17 **Section 16.** Section 7-34-2417, MCA, is amended to read:

18 "**7-34-2417. Special tax levy authorized.** In the event the bonds ~~become delinquent or cannot~~ are  
19 not paid or are not expected to be paid from ordinary ~~revenues~~ revenue of the facility, a county ~~which that~~  
20 has issued bonds under 7-34-2411 for a health care facility may levy taxes on all taxable property within  
21 the county in the manner provided for public hospital districts under 7-34-2133, 7-34-2134, 7-34-2135(1),  
22 and 7-34-2136, up to a maximum of 3 mills not submitted to a vote of the people and 3 additional mills  
23 approved by a vote of the people."

24

25 **Section 17.** Section 7-34-2418, MCA, is amended to read:

26 "**7-34-2418. General tax to support bonds authorized.** (1) (a) The governing body of ~~any~~ a county  
27 may, with respect to bonds issued by the county pursuant to 7-34-2411 through ~~7-34-2418~~ for a health  
28 care facility and if approved by the voters as provided in 7-34-2414, by resolution covenant that:

29 (i) in the event that at any time all ~~revenues~~ revenue, including taxes, appropriated and ~~therefore~~  
30 collected for ~~such~~ the bonds ~~are~~ is insufficient to pay principal or interest then due, it will levy a general

1 tax upon all of the taxable property in the county for the payment of ~~such~~ the deficiency; and

2 (ii) at any time a deficiency is likely to occur within 1 year for the payment of principal and interest  
3 due on ~~such~~ the bonds, it will levy a general tax upon all the taxable property in the county for the payment  
4 of ~~such~~ the deficiency.

5 (b) The resolution ~~shall~~ must state the principal amount and purpose of the bonds and the  
6 substance of the covenant respecting deficiencies.

7 (2) ~~Such~~ The taxes ~~shall~~ are not be subject to any limitation of rate or amount applicable to other  
8 county taxes but ~~shall~~ are limited to a rate estimated to be sufficient to produce the amount of the  
9 deficiency.

10 (3) In the event ~~more than one county is included in an authority issuing bonds that the health care~~  
11 facility for which bonds are issued pursuant to 7-34-2411 through 7-34-2418 is a joint institution, as  
12 provided in part 25, and the deficiency tax levy is authorized under 7-34-2417, the counties may apportion  
13 the obligation to levy taxes for the payment of or in anticipation of a deficiency in the revenues  
14 appropriated for ~~such~~ the bonds in ~~such~~ the manner as the counties shall determine."

15

16 **Section 18.** Section 7-34-2501, MCA, is amended to read:

17 "**7-34-2501. Definitions.** As used in this part, the following definitions ~~shall~~ apply:

18 (1) "Contract" means the agreement entered into by two or more counties for the purpose of  
19 creating a joint institution.

20 (2) "Joint institution" means a county ~~hospital or nursing~~ health care facility or boarding home for  
21 the aged or infirm constructed, purchased, leased, equipped, and operated by two or more counties  
22 pursuant to the terms of the contract creating it."

23

24 **Section 19.** Section 53-2-802, MCA, is amended to read:

25 "**53-2-802. Definitions.** Unless the context requires otherwise, in this part, the following definitions  
26 apply:

27 (1) "County department" means the county department of public welfare provided for in part 3 of  
28 this chapter.

29 (2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

30 (3) "Needy person" is one who is eligible for public assistance under the laws of this state.



1           (4) "Protective services" means services to children and adults to be provided by the department  
2 of family services as permitted by Titles 41 and 53.

3           (5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished  
4 under this title to a person by a state or county department, regardless of the original source of assistance.

5           (6) "State assumption" means the transfer to the department of social and rehabilitation services  
6 and the department of family services by the board of county commissioners of all powers and duties,  
7 including staff personnel as provided in 53-2-301 through 53-2-306 and for public assistance and protective  
8 services, respectively, provided by the county department pursuant to Titles 41 and 53, except as  
9 otherwise specifically provided in this part. A county may continue to provide optional indigent assistance  
10 as provided in 53-2-804 and ~~nursing home and hospital~~ health care services as provided in 7-6-2512."

11

12           NEW SECTION. **Section 20. Repealer.** Sections 7-34-2302 and 7-34-2412, MCA, are repealed.

13

14           NEW SECTION. **Section 21. Effective date.** [This act] is effective on passage and approval.

15

-END-

APPROVED BY COM ON LOCAL GOVERNMENT

House BILL NO. 421



INTRODUCED BY



A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS ON COUNTY HOSPITALS; PROVIDING FOR COUNTY HEALTH CARE FACILITIES; PROVIDING FOR THE PLEDGE OF TAXES TO THE REPAYMENT OF CERTAIN BONDS; AUTHORIZING THE CONSTRUCTION, LEASING, AND FINANCING OF HEALTH CARE FACILITIES; CLARIFYING THAT CERTAIN BONDS MAY BE ISSUED WITHOUT AN ELECTION; AMENDING SECTIONS 7-6-2512, 7-8-2102, 7-8-2103, 7-34-2201, 7-34-2202, 7-34-2203, 7-34-2204, 7-34-2301, 7-34-2303, 7-34-2401, 7-34-2402, 7-34-2411, 7-34-2414, 7-34-2415, 7-34-2416, 7-34-2417, 7-34-2418, 7-34-2501, AND 53-2-802, MCA; REPEALING SECTIONS 7-34-2302 AND 7-34-2412, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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(2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care facility, the board of county commissioners may covenant to levy the tax authorized by this section during the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of

1 erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility  
 2 or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes  
 3 to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the  
 4 purpose of any statutory limitation or restriction. The pledge may be made by the board only upon  
 5 authorization of a majority of the electors of the county voting on the pledge at a general or special election  
 6 as provided in 7-34-2414."

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 8 **Section 2.** Section 7-8-2102, MCA, is amended to read:

9 **"7-8-2102. Erection and maintenance of county buildings.** The board of county commissioners has  
 10 jurisdiction and power, under ~~such~~ the limitations and restrictions ~~as are~~ prescribed by law, to ~~cause to be~~  
 11 ~~erected, furnished, and maintained~~ erect, furnish, equip, expand, improve, and maintain a courthouse, jail,  
 12 ~~hospital~~ health care facility, civic center, youth center, park buildings, museums, recreation centers, and  
 13 any combination ~~thereof~~ of those buildings and ~~such~~ any other public buildings as may be necessary."

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16 **"7-8-2103. Authorization to create county building commission.** (1) The board of county  
 17 commissioners ~~shall have the power to~~ may create a commission for the management of ~~such~~ a civic  
 18 center, a youth center, park buildings, museums, county parks, recreation centers, ~~hospitals~~ health care  
 19 facilities, or any combination of ~~two or more thereof~~ those buildings. ~~Such~~ The commission ~~shall~~ must be  
 20 composed of the ~~chairman~~ presiding officer of the board of county commissioners and five lay members  
 21 to be appointed by the board. In cases ~~where~~ in which a commission has been appointed, the commission,  
 22 together with the board, ~~shall have~~ has the power to employ a manager.

23 (2) The terms of office for the first lay members of the commission ~~shall be~~ are, respectively, one  
 24 for 1 year, two for 2 years, and two for 3 years. On the expiration of ~~such~~ the terms ~~of figures 1, 2, and~~  
 25 ~~3 years, their~~ the successors shall hold office for 3 years each.

26 (3) All of the ~~above~~ persons in subsection (2) shall serve without compensation."  
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28 **Section 4.** Section 7-34-2201, MCA, is amended to read:

29 **"7-34-2201. Erection and management of county ~~hospital~~ health care facilities -- definition --**  
 30 **provision of health care services.** (1) The board of county commissioners has jurisdiction and power, under

1 ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law, to ~~cause a hospital to be erected, furnished,~~  
 2 ~~and maintained~~ erect, furnish, equip, expand, improve, and maintain health care facilities and to provide  
 3 health care services in those facilities as permitted by law.

4 (2) The board of county commissioners of ~~any a county of this state which now~~ that has or may  
 5 ~~hereafter~~ acquire title to a site and building or buildings suitable for county ~~hospital~~ health care purposes  
 6 ~~shall have~~ has jurisdiction and power, under ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law,  
 7 to erect, furnish and, equip such, expand, improve, maintain, and operate the building or buildings for  
 8 ~~hospital~~ health care purposes ~~in accordance with and~~ as provided by ~~the provisions of~~ this section.

9 (3) As used in parts 21, 23, 24, and 25 and this part, unless the context clearly requires otherwise,  
 10 the term "health care facility" means a hospital, a medical assistance facility, an ambulatory surgical facility,  
 11 a hospice, a kidney treatment center, an outpatient facility, a public health center, a rehabilitation facility,  
 12 a long-term care facility, or an adult day-care center, as defined in 50-5-101, or any combination and  
 13 related medical facilities including offices for physicians or other health care professionals providing  
 14 outpatient, rehabilitative, emergency, nursing, or preventive care."

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 16 **Section 5.** Section 7-34-2202, MCA, is amended to read:

17 "**7-34-2202. Hospital Health care facilities commission.** The board of county commissioners ~~shall~~  
 18 ~~have the power to~~ may create a commission for the management of ~~such hospitals~~ health care facilities,  
 19 as provided in 7-8-2103."

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 21 **Section 6.** Section 7-34-2203, MCA, is amended to read:

22 "**7-34-2203. Provision of health care for indigent and nonindigent sick services.** A county ~~hospital~~  
 23 ~~so erected and furnished~~ health care facility may be used ~~for the hospitalization of the indigent sick of the~~  
 24 ~~county to provide health care services.~~ Any county hospital which has heretofore been or which may  
 25 ~~hereafter be erected and furnished under the provisions of 7-34-2201 may also be used for the~~  
 26 ~~hospitalization of the nonindigent sick provided said nonindigent sick pay a reasonable fee for such~~  
 27 ~~hospitalization and provided further that, except in cases of emergency, there are no indigent sick needing~~  
 28 ~~hospitalization who would be deprived of hospitalization by reason of the use of said hospital facilities by~~  
 29 ~~nonindigents."~~

1           **Section 7.** Section 7-34-2204, MCA, is amended to read:

2           **"7-34-2204. Lease of county property for hospital health care purposes.** (1) The board of county  
3 commissioners has jurisdiction and power, under the limitations and restrictions prescribed by law, to lease  
4 county buildings, equipment, furniture, and fixtures for hospital health care facility purposes, with full  
5 power of lessor except as ~~hereinafter~~ limited in this section, upon the terms and conditions as the board  
6 may decide upon. The rentals received under the lease or leases ~~shall~~ must be paid into the general fund  
7 of the county, or if the lease is of a long-term care facility or portion of a long-term care facility, the rentals  
8 must be paid into the county poor fund, except as provided in subsection (2)(a).

9           (2) (a) ~~No~~ A lease may not be made for a ~~longer~~ longer period longer than 5 years except in a case of  
10 financing in which bonds are to be or have been issued in accordance with 7-34-2411 ~~through 7-34-2418~~,  
11 in which case the lease may ~~terminate at~~ extend until the maturity date of the bonds sold and in which case  
12 bond payments may be made from lease receipts.

13           (b) The board may not enter into a ~~contract of~~ lease without ~~and until~~ first having advertised in a  
14 newspaper published in the county at least once a week for 5 weeks that the ~~buildings and equipment~~  
15 health care facility or designated portion of a health care facility, including equipment if applicable, are is  
16 for lease for hospital health care purposes."

17

18           **Section 8.** Section 7-34-2301, MCA, is amended to read:

19           **"7-34-2301. Construction and operation of county boarding ~~or nursing~~ home authorized.** The board  
20 of county commissioners may erect, furnish, equip, expand, improve, maintain, and operate a boarding  
21 home ~~or nursing home~~ for the aged or infirm that does not constitute a health care facility, subject to any  
22 applicable standards established by the department of health and environmental sciences. A boarding home  
23 may be located adjacent to or in a building containing a health care facility and may be operated in  
24 conjunction with the health care facility."

25

26           **Section 9.** Section 7-34-2303, MCA, is amended to read:

27           **"7-34-2303. Lease of county property for boarding ~~or nursing~~ home.** (1) The board of county  
28 commissioners may lease ~~and demise~~ county buildings, equipment, furniture, and fixtures for the purpose  
29 of operation of a boarding home ~~or nursing home~~ for aged or infirm persons, with full power of lessor  
30 except as limited in this part, upon terms and conditions as the board ~~shall~~ may decide upon.

1           (2) The rentals received under the lease or leases must be paid into the poor fund of the county,  
2 or if bonds have been issued under 7-34-2411 to finance or refinance the costs of a boarding home, the  
3 rentals must be applied, as necessary, to the payment of the principal of or interest on the bonds.

4           (3) (a) Except as provided in subsection (3)(b), the lease ~~and demise~~ may not be made for a longer  
5 period longer than 5 years.

6           (b) ~~If a lessee of a nursing home is required to undertake capital improvements by state or federal~~  
7 ~~agencies administering health and safety laws and the undertaking requires financing from sources other~~  
8 ~~than county revenues, the term of the lease and demise may correspond to the term of the financing but~~  
9 ~~may not exceed 15 years. A lease may be made for a period longer than 5 years when bonds are to be~~  
10 or have been issued under 7-34-2411, in which case the lease may extend until the maturity date of the  
11 bonds.

12           (4) The board may not enter into a ~~contract~~ of lease unless it has advertised in a newspaper  
13 published in the county at least once a week for 5 weeks that specified buildings and equipment are for  
14 lease for the purpose of a boarding home ~~or nursing home~~ for aged or infirm persons."

15  
16           **Section 10.** Section 7-34-2401, MCA, is amended to read:

17           "**7-34-2401. Depletion allowance reserve fund authorized.** The governing body of ~~any~~ a county  
18 ~~in Montana~~ may establish a depletion allowance reserve fund for the replacement and acquisition of  
19 property and equipment for county-operated ~~hospitals and nursing homes~~ health care facilities created under  
20 7-8-2102, 7-34-2201, ~~7-34-2301~~, and 7-34-2502."

21  
22           **Section 11.** Section 7-34-2402, MCA, is amended to read:

23           "**7-34-2402. Sources of money for depletion allowance reserve fund.** Money for the depletion  
24 allowance reserve fund may be derived from:

25           (1) public and private grants;

26           (2) money collected by the ~~hospital or nursing home~~ health care facility for which the fund is  
27 created, from or for indigent patients or residents, that ~~are~~ is in excess of the expenses incurred for the care  
28 of ~~such~~ the patients or residents."

29  
30           **Section 12.** Section 7-34-2411, MCA, is amended to read:

1           "7-34-2411. ~~Hospital and nursing home~~ County health care facility bonds authorized. (1)  
 2 Notwithstanding any limitation imposed by law upon the bonded indebtedness of a county, a county  
 3 ~~constructing acquiring, erecting, furnishing, equipping, expanding, improving, or maintaining a hospital or~~  
 4 ~~nursing home~~ health care facility under 7-8-2102 or 7-34-2201 or a boarding home under 7-34-2301 may  
 5 borrow money and issue its bonds ~~therefor~~ for a health care facility or a boarding home, including refunding  
 6 bonds, in ~~such~~ the form and upon ~~such~~ the terms as it may determine, payable out of any ~~revenues~~ revenue  
 7 of the facility or boarding home, respectively, including ~~revenues~~ revenue derived from:

- 8           (a) fees and payments for ~~hospital or nursing~~ health care or boarding home services;  
 9           (b) taxes levied under 7-6-2512 or 7-34-2417 for a health care facility;  
 10           (c) grants or contributions from the federal government; or  
 11           (d) any other sources.

12           (2) For the security of ~~any such~~ the bonds, the county may by resolution make and enter into any  
 13 covenant, agreement, or indenture and exercise any additional powers authorized to be made, entered into,  
 14 or exercised by a county, including those authorized in 7-6-2512 and this part. The sums required ~~from time~~  
 15 ~~to time~~ to pay principal and interest and to create and maintain a reserve for the bonds may be made  
 16 payable from any and all ~~revenues referred to in 7-34-2411 through 7-34-2418~~ revenue of the health care  
 17 facility or boarding home prior to the payment of current costs of operation and maintenance of the  
 18 facilities."

19

20           **Section 13.** Section 7-34-2414, MCA, is amended to read:

21           "7-34-2414. **Election required on question of issuance of bonds.** (1) ~~No bonds~~ A county may be  
 22 ~~issued by any county~~ not issue bonds to which all or a portion of the taxes levied under 7-6-2512 are  
 23 pledged or to which the general tax authorized under 7-34-2418 is pledged until the question of approval  
 24 of the issuance of ~~such~~ the bonds has been submitted to the registered electors of the county at a general  
 25 election or a special election called for that purpose by the governing body of the county and the majority  
 26 of the electors voting on the question have voted in favor ~~thereof~~ of the bonds. The notice and conduct  
 27 of the election ~~shall~~ must be governed, to the extent applicable, by the laws governing the election on  
 28 county general obligation bonds in chapter 7, part 22.

29           (2) If less than a majority of the electors voting ~~thereon~~ on the issuance of the bonds vote ~~against~~  
 30 in favor of the issuance of the bonds, the county ~~shall have no authority to~~ may not issue the bonds under

1 7-34-2411 through ~~7-34-2418~~."

2

3 **Section 14.** Section 7-34-2415, MCA, is amended to read:

4 "7-34-2415. **Details of bonds.** (1) The bonds may be sold at public or private sale and ~~shall~~ bear  
5 interest at a rate or rates as provided in 17-5-102. The bonds may be for a 40-year period.

6 (2) Except as otherwise provided in 7-34-2411 and 7-34-2413 through 7-34-2418, any bonds  
7 issued pursuant to 7-34-2411 and 7-34-2413 through 7-34-2418 by a county ~~shall~~ must be payable as to  
8 principal and interest solely from ~~revenues~~ revenue of the county and ~~shall~~ must state on their face the  
9 applicable limitations or restrictions regarding the source or sources from which ~~such~~ the principal and  
10 interest are payable."

11

12 **Section 15.** Section 7-34-2416, MCA, is amended to read:

13 "7-34-2416. **Tax-exempt status of bonds.** Bonds issued by a county pursuant to the provisions  
14 of 7-34-2411 and 7-34-2413 through 7-34-2418 are declared to be issued for an essential public and  
15 governmental purpose by a political subdivision within the meaning of 15-30-111(2)(a)."

16

17 **Section 16.** Section 7-34-2417, MCA, is amended to read:

18 "7-34-2417. **Special tax levy authorized.** In the event the bonds ~~become delinquent or cannot~~ are  
19 not paid or are not expected to be paid from ordinary ~~revenues~~ revenue of the facility, a county ~~which~~ that  
20 has issued bonds under 7-34-2411 for a health care facility may levy taxes on all taxable property within  
21 the county in the manner provided for public hospital districts under 7-34-2133, 7-34-2134, 7-34-2135(1),  
22 and 7-34-2136, up to a maximum of 3 mills not submitted to a vote of the people and 3 additional mills  
23 approved by a vote of the people."

24

25 **Section 17.** Section 7-34-2418, MCA, is amended to read:

26 "7-34-2418. **General tax to support bonds authorized.** (1) (a) The governing body of ~~any~~ a county  
27 may, with respect to bonds issued by the county pursuant to 7-34-2411 ~~through 7-34-2418~~ for a health  
28 care facility and if approved by the voters as provided in 7-34-2414, by resolution covenant that:

29 (i) in the event that at any time all ~~revenues~~ revenue, including taxes, appropriated and ~~therefore~~  
30 collected for ~~such~~ the bonds ~~are~~ is insufficient to pay principal or interest then due, it will levy a general



1 tax upon all of the taxable property in the county for the payment of ~~such~~ the deficiency; and

2 (ii) at any time a deficiency is likely to occur within 1 year for the payment of principal and interest  
3 due on ~~such~~ the bonds, it will levy a general tax upon all the taxable property in the county for the payment  
4 of ~~such~~ the deficiency.

5 (b) The resolution ~~shall~~ must state the principal amount and purpose of the bonds and the  
6 substance of the covenant respecting deficiencies.

7 (2) ~~Such~~ The taxes ~~shall~~ are not ~~be~~ subject to any limitation of rate or amount applicable to other  
8 county taxes but ~~shall~~ be are limited to a rate estimated to be sufficient to produce the amount of the  
9 deficiency.

10 (3) In the event ~~more than one county is included in an authority issuing bonds~~ that the health care  
11 facility for which bonds are issued pursuant to 7-34-2411 through 7-34-2418 is a joint institution, as  
12 provided in part 25, and the deficiency tax levy is authorized under 7-34-2417, the counties may apportion  
13 the obligation to levy taxes for the payment of or in anticipation of a deficiency in the revenues  
14 appropriated for ~~such~~ the bonds in ~~such~~ the manner as the counties shall determine."

15  
16 **Section 18.** Section 7-34-2501, MCA, is amended to read:

17 "**7-34-2501. Definitions.** As used in this part, the following definitions ~~shall~~ apply:

18 (1) "Contract" means the agreement entered into by two or more counties for the purpose of  
19 creating a joint institution.

20 (2) "Joint institution" means a county ~~hospital or nursing~~ health care facility or boarding home for  
21 the aged or infirm constructed, purchased, leased, equipped, and operated by two or more counties  
22 pursuant to the terms of the contract creating it."

23  
24 **Section 19.** Section 53-2-802, MCA, is amended to read:

25 "**53-2-802. Definitions.** Unless the context requires otherwise, in this part, the following definitions  
26 apply:

27 (1) "County department" means the county department of public welfare provided for in part 3 of  
28 this chapter.

29 (2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

30 (3) "Needy person" is one who is eligible for public assistance under the laws of this state.

1 (4) "Protective services" means services to children and adults to be provided by the department  
2 of family services as permitted by Titles 41 and 53.

3 (5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished  
4 under this title to a person by a state or county department, regardless of the original source of assistance.

5 (6) "State assumption" means the transfer to the department of social and rehabilitation services  
6 and the department of family services by the board of county commissioners of all powers and duties,  
7 including staff personnel as provided in 53-2-301 through 53-2-306 and for public assistance and protective  
8 services, respectively, provided by the county department pursuant to Titles 41 and 53, except as  
9 otherwise specifically provided in this part. A county may continue to provide optional indigent assistance  
10 as provided in 53-2-804 and ~~nursing home and hospital~~ health care services as provided in 7-6-2512."

11  
12 **NEW SECTION. Section 20. Repealer.** Sections 7-34-2302 and 7-34-2412, MCA, are repealed.

13  
14 **NEW SECTION. Section 21. Effective date.** [This act] is effective on passage and approval.

15 -END-

House BILL NO. 421

INTRODUCED BY

*Enck*

*Paul*

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS ON COUNTY HOSPITALS; PROVIDING FOR COUNTY HEALTH CARE FACILITIES; PROVIDING FOR THE PLEDGE OF TAXES TO THE REPAYMENT OF CERTAIN BONDS; AUTHORIZING THE CONSTRUCTION, LEASING, AND FINANCING OF HEALTH CARE FACILITIES; CLARIFYING THAT CERTAIN BONDS MAY BE ISSUED WITHOUT AN ELECTION; AMENDING SECTIONS 7-6-2512, 7-8-2102, 7-8-2103, 7-34-2201, 7-34-2202, 7-34-2203, 7-34-2204, 7-34-2301, 7-34-2303, 7-34-2401, 7-34-2402, 7-34-2411, 7-34-2414, 7-34-2415, 7-34-2416, 7-34-2417, 7-34-2418, 7-34-2501, AND 53-2-802, MCA; REPEALING SECTIONS 7-34-2302 AND 7-34-2412, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO SECOND READING COPY (YELLOW) FOR COMPLETE TEXT.

## 1 HOUSE BILL NO. 421

2 INTRODUCED BY EWER, BECK

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS ON COUNTY HOSPITALS; PROVIDING  
 5 FOR COUNTY HEALTH CARE FACILITIES; PROVIDING FOR THE PLEDGE OF TAXES TO THE REPAYMENT  
 6 OF CERTAIN BONDS; AUTHORIZING THE CONSTRUCTION, LEASING, AND FINANCING OF HEALTH CARE  
 7 FACILITIES; CLARIFYING THAT CERTAIN BONDS MAY BE ISSUED WITHOUT AN ELECTION; AMENDING  
 8 SECTIONS 7-6-2512, 7-8-2102, 7-8-2103, 7-34-2201, 7-34-2202, 7-34-2203, 7-34-2204, 7-34-2301,  
 9 7-34-2303, 7-34-2401, 7-34-2402, 7-34-2411, 7-34-2414, 7-34-2415, 7-34-2416, 7-34-2417,  
 10 7-34-2418, 7-34-2501, AND 53-2-802, MCA; REPEALING SECTIONS 7-34-2302 AND 7-34-2412, MCA;  
 11 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14  
 15 **Section 1.** Section 7-6-2512, MCA, is amended to read:

16 **"7-6-2512. County tax levy for ~~nursing homes and hospital~~ health care facilities.** (1) The board  
 17 of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to  
 18 exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county ~~for the~~  
 19 ~~erection, maintenance, and operation of~~ to erect, furnish, equip, expand, improve, maintain, and operate  
 20 county-owned or county-operated ~~hospitals and nursing homes or other hospital~~ health care facilities  
 21 created under 7-8-2102, 7-34-2201, ~~7-34-2301~~, and 7-34-2502. "Hospital Health care facilities" as used  
 22 in this section ~~means a hospital or hospital-related facility, including outpatient facilities, public health~~  
 23 ~~centers, rehabilitation facilities, long term care facilities, and infirmaries~~ has the meaning as defined in  
 24 7-34-2201. The combined total number of mills levied under this section and for the county poor fund  
 25 under 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531  
 26 through 7-6-2537 or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill  
 27 levy authorized by this section may not be imposed on property within that hospital district.

28 (2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care  
 29 facility, the board of county commissioners may covenant to levy the tax authorized by this section during  
 30 the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of

1 erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility  
 2 or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes  
 3 to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the  
 4 purpose of any statutory limitation or restriction. The pledge may be made by the board only upon  
 5 authorization of a majority of the electors of the county voting on the pledge at a general or special election  
 6 as provided in 7-34-2414."

7  
 8 **Section 2.** Section 7-8-2102, MCA, is amended to read:

9 **"7-8-2102. Erection and maintenance of county buildings.** The board of county commissioners  
 10 has jurisdiction and power, under ~~such~~ the limitations and restrictions ~~as are~~ prescribed by law, to ~~cause~~  
 11 ~~to be erected, furnished, and maintained~~ erect, furnish, equip, expand, improve, and maintain a courthouse,  
 12 jail, ~~hospital~~ health care facility, civic center, youth center, park buildings, museums, recreation centers,  
 13 and any combination ~~thereof~~ of those buildings and ~~such~~ any other public buildings as may be necessary."

14  
 15 **Section 3.** Section 7-8-2103, MCA, is amended to read:

16 **"7-8-2103. Authorization to create county building commission.** (1) The board of county  
 17 commissioners ~~shall have the power to~~ may create a commission for the management of ~~such~~ a civic  
 18 center, a youth center, park buildings, museums, county parks, recreation centers, ~~hospitals~~ health care  
 19 facilities, or any combination of ~~two or more thereof~~ those buildings. ~~Such~~ The commission ~~shall~~ must be  
 20 composed of the ~~chairman~~ presiding officer of the board of county commissioners and five lay members  
 21 to be appointed by the board. In cases ~~where in which~~ a commission has been appointed, the commission,  
 22 together with the board, ~~shall have~~ has the power to employ a manager.

23 (2) The terms of office for the first lay members of the commission ~~shall be~~ are, respectively, one  
 24 for 1 year, two for 2 years, and two for 3 years. On the expiration of ~~such~~ the terms of ~~figures 1, 2, and~~  
 25 ~~3 years, their, the~~ successors shall hold office for 3 years each.

26 (3) All of the ~~above~~ persons in subsection (2) shall serve without compensation."  
 27

28 **Section 4.** Section 7-34-2201, MCA, is amended to read:

29 **"7-34-2201. Erection and management of county ~~hospital~~ health care facilities -- definition --**  
 30 **provision of health care services.** (1) The board of county commissioners has jurisdiction and power, under

1 ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law, to ~~cause a hospital to be erected, furnished,~~  
 2 ~~and maintained~~ erect, furnish, equip, expand, improve, and maintain health care facilities and to provide  
 3 health care services in those facilities as permitted by law.

4 (2) The board of county commissioners of ~~any a~~ county ~~of this state which now~~ that has or may  
 5 ~~hereafter~~ acquire title to a site and building or buildings suitable for county ~~hospital~~ health care purposes  
 6 ~~shall have~~ has jurisdiction and power, under ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law,  
 7 to erect, furnish and, equip ~~such, expand, improve, maintain, and operate the~~ building or buildings for  
 8 ~~hospital~~ health care purposes ~~in accordance with and~~ as provided by ~~the provisions of~~ this section.

9 (3) As used in parts 21, 23, 24, and 25 and this part, unless the context clearly requires otherwise,  
 10 the term "health care facility" means a hospital, a medical assistance facility, an ambulatory surgical facility,  
 11 a hospice, a kidney treatment center, an outpatient facility, a public health center, a rehabilitation facility,  
 12 a long-term care facility, or an adult day-care center, as defined in 50-5-101, or any combination and  
 13 related medical facilities including offices for physicians or other health care professionals providing  
 14 outpatient, rehabilitative, emergency, nursing, or preventive care."

15  
 16 **Section 5.** Section 7-34-2202, MCA, is amended to read:

17 **"7-34-2202. Hospital Health care facilities commission.** The board of county commissioners ~~shall~~  
 18 ~~have the power to~~ may create a commission for the management of ~~such hospitals~~ health care facilities,  
 19 as provided in 7-8-2103."

20  
 21 **Section 6.** Section 7-34-2203, MCA, is amended to read:

22 **"7-34-2203. Provision of health care for indigent and nonindigent sick services.** A county ~~hospital~~  
 23 ~~so erected and furnished~~ health care facility may be used for the hospitalization of the indigent sick of the  
 24 county to provide health care services. ~~Any county hospital which has heretofore been or which may~~  
 25 ~~hereafter be erected and furnished under the provisions of 7-34-2201 may also be used for the~~  
 26 ~~hospitalization of the nonindigent sick provided said nonindigent sick pay a reasonable fee for such~~  
 27 ~~hospitalization and provided further that, except in cases of emergency, there are no indigent sick needing~~  
 28 ~~hospitalization who would be deprived of hospitalization by reason of the use of said hospital facilities by~~  
 29 ~~nonindigents."~~

1           **Section 7.** Section 7-34-2204, MCA, is amended to read:

2           **"7-34-2204. Lease of county property for ~~hospital~~ health care purposes.** (1) The board of county  
3 commissioners has jurisdiction and power, under the limitations and restrictions prescribed by law, to lease  
4 county buildings, equipment, furniture, and fixtures for ~~hospital~~ health care facility purposes, with full  
5 power of lessor except as ~~hereinafter~~ limited in this section, upon the terms and conditions as the board  
6 may decide upon. The rentals received under the lease or leases ~~shall~~ must be paid into the general fund  
7 of the county, or if the lease is of a long-term care facility or portion of a long-term care facility, the rentals  
8 must be paid into the county poor fund, except as provided in subsection (2)(a).

9           (2) (a) ~~No~~ A lease may not be made for a ~~longer~~ longer period longer than 5 years except in a case of  
10 financing in which bonds are to be or have been issued in accordance with 7-34-2411 through 7-34-2418,  
11 in which case the lease may terminate at extend until the maturity date of the bonds sold and in which case  
12 bond payments may be made from lease receipts.

13           (b) The board may not enter into a ~~contract~~ of lease without ~~and until~~ first having advertised in a  
14 newspaper published in the county at least once a week for 5 weeks that the ~~buildings and equipment~~  
15 health care facility or designated portion of a health care facility, including equipment if applicable, are is  
16 for lease for ~~hospital~~ health care purposes."

17

18           **Section 8.** Section 7-34-2301, MCA, is amended to read:

19           **"7-34-2301. Construction and operation of county boarding ~~or nursing~~ home authorized.** The  
20 board of county commissioners may erect, furnish, equip, expand, improve, maintain, and operate a  
21 boarding home ~~or nursing home~~ for the aged or infirm that does not constitute a health care facility, subject  
22 to any applicable standards established by the department of health and environmental sciences. A  
23 boarding home may be located adjacent to or in a building containing a health care facility and may be  
24 operated in conjunction with the health care facility."

25

26           **Section 9.** Section 7-34-2303, MCA, is amended to read:

27           **"7-34-2303. Lease of county property for boarding ~~or nursing~~ home.** (1) The board of county  
28 commissioners may lease ~~and demise~~ county buildings, equipment, furniture, and fixtures for the purpose  
29 of operation of a boarding home ~~or nursing home~~ for aged or infirm persons, with full power of lessor  
30 except as limited in this part, upon terms and conditions as the board ~~shall~~ may decide upon.

1 (2) The rentals received under the lease or leases must be paid into the poor fund of the county,  
 2 or if bonds have been issued under 7-34-2411 to finance or refinance the costs of a boarding home, the  
 3 rentals must be applied, as necessary, to the payment of the principal of or interest on the bonds.

4 (3) (a) Except as provided in subsection (3)(b), the lease ~~and demise~~ may not be made for a longer  
 5 period longer than 5 years.

6 (b) ~~If a lessee of a nursing home is required to undertake capital improvements by state or federal~~  
 7 ~~agencies administering health and safety laws and the undertaking requires financing from sources other~~  
 8 ~~than county revenues, the term of the lease and demise may correspond to the term of the financing but~~  
 9 ~~may not exceed 15 years. A lease may be made for a period longer than 5 years when bonds are to be~~  
 10 or have been issued under 7-34-2411, in which case the lease may extend until the maturity date of the  
 11 bonds.

12 (4) The board may not enter into a ~~contract of~~ lease unless it has advertised in a newspaper  
 13 published in the county at least once a week for 5 weeks that specified buildings and equipment are for  
 14 lease for the purpose of a boarding home ~~or nursing home~~ for aged or infirm persons."

15  
 16 **Section 10.** Section 7-34-2401, MCA, is amended to read:

17 **"7-34-2401. Depletion allowance reserve fund authorized.** The governing body of ~~any a~~ county  
 18 ~~in Montana~~ may establish a depletion allowance reserve fund for the replacement and acquisition of  
 19 property and equipment for county-operated ~~hospitals and nursing homes~~ health care facilities created under  
 20 7-8-2102, 7-34-2201, ~~7-34-2301,~~ and 7-34-2502."

21  
 22 **Section 11.** Section 7-34-2402, MCA, is amended to read:

23 **"7-34-2402. Sources of money for depletion allowance reserve fund.** Money for the depletion  
 24 allowance reserve fund may be derived from:

25 (1) public and private grants;

26 (2) money collected by the ~~hospital or nursing home~~ health care facility for which the fund is  
 27 created, from or for indigent patients or residents, that ~~are~~ is in excess of the expenses incurred for the care  
 28 of ~~such the~~ the patients or residents."

29  
 30 **Section 12.** Section 7-34-2411, MCA, is amended to read:



1           **"7-34-2411. ~~Hospital and nursing home~~ County health care facility bonds authorized.** (1)  
 2 Notwithstanding any limitation imposed by law upon the bonded indebtedness of a county, a county  
 3 ~~constructing~~ acquiring, erecting, furnishing, equipping, expanding, improving, or maintaining a hospital or  
 4 ~~nursing home~~ health care facility under 7-8-2102 or 7-34-2201 or a boarding home under 7-34-2301 may  
 5 borrow money and issue its bonds ~~therefor~~ for a health care facility or a boarding home, including refunding  
 6 bonds, in ~~such the~~ the form and upon ~~such the~~ the terms as it may determine, payable out of any ~~revenues~~ revenue  
 7 of the facility or boarding home, respectively, including ~~revenues~~ revenue derived from:

- 8           (a) fees and payments for ~~hospital or nursing~~ health care or boarding home services;  
 9           (b) taxes levied under 7-6-2512 or 7-34-2417 for a health care facility;  
 10          (c) grants or contributions from the federal government; or  
 11          (d) any other sources.

12          (2) For the security of ~~any such the~~ the bonds, the county may by resolution make and enter into any  
 13 covenant, agreement, or indenture and exercise any additional powers authorized to be made, entered into,  
 14 or exercised by a county, including those authorized in 7-6-2512 and this part. The sums required ~~from time~~  
 15 ~~to time~~ to pay principal and interest and to create and maintain a reserve for the bonds may be made  
 16 payable from any and all ~~revenues referred to in 7-34-2411 through 7-34-2418~~ revenue of the health care  
 17 facility or boarding home prior to the payment of current costs of operation and maintenance of the  
 18 facilities."

19

20           **Section 13.** Section 7-34-2414, MCA, is amended to read:

21           **"7-34-2414. Election required on question of issuance of bonds.** (1) ~~No bonds~~ A county may be  
 22 ~~issued by any county~~ not issue bonds to which all or a portion of the taxes levied under 7-6-2512 are  
 23 pledged or to which the general tax authorized under 7-34-2418 is pledged until the question of approval  
 24 of the issuance of ~~such the~~ the bonds has been submitted to the registered electors of the county at a general  
 25 election or a special election called for that purpose by the governing body of the county and the majority  
 26 of the electors voting on the question have voted in favor ~~thereof~~ of the bonds. The notice and conduct  
 27 of the election ~~shall~~ must be governed, to the extent applicable, by the laws governing the election on  
 28 county general obligation bonds in chapter 7, part 22.

29           (2) If less than a majority of the electors voting ~~thereon~~ on the issuance of the bonds vote ~~against~~  
 30 in favor of the issuance of the bonds, the county ~~shall have no authority to~~ may not issue the bonds under

1 7-34-2411 through ~~7-34-2418~~."

2

3 **Section 14.** Section 7-34-2415, MCA, is amended to read:

4 "**7-34-2415. Details of bonds.** (1) The bonds may be sold at public or private sale and ~~shall~~ bear  
5 interest at a rate or rates as provided in 17-5-102. The bonds may be for a 40-year period.

6 (2) Except as otherwise provided in 7-34-2411 and 7-34-2413 through 7-34-2418, any bonds  
7 issued pursuant to 7-34-2411 and 7-34-2413 through 7-34-2418 by a county ~~shall~~ must be payable as to  
8 principal and interest solely from ~~revenues~~ revenue of the county and ~~shall~~ must state on their face the  
9 applicable limitations or restrictions regarding the source or sources from which ~~such~~ the principal and  
10 interest are payable."

11

12 **Section 15.** Section 7-34-2416, MCA, is amended to read:

13 "**7-34-2416. Tax-exempt status of bonds.** Bonds issued by a county pursuant to the provisions  
14 of 7-34-2411 and 7-34-2413 through 7-34-2418 are declared to be issued for an essential public and  
15 governmental purpose by a political subdivision within the meaning of 15-30-111(2)(a)."

16

17 **Section 16.** Section 7-34-2417, MCA, is amended to read:

18 "**7-34-2417. Special tax levy authorized.** In the event the bonds ~~become delinquent or cannot~~ are  
19 not paid or are not expected to be paid from ordinary ~~revenues~~ revenue of the facility, a county ~~which~~ that  
20 has issued bonds under 7-34-2411 for a health care facility may levy taxes on all taxable property within  
21 the county in the manner provided for public hospital districts under 7-34-2133, 7-34-2134, 7-34-2135(1),  
22 and 7-34-2136, up to a maximum of 3 mills not submitted to a vote of the people and 3 additional mills  
23 approved by a vote of the people."

24

25 **Section 17.** Section 7-34-2418, MCA, is amended to read:

26 "**7-34-2418. General tax to support bonds authorized.** (1) (a) The governing body of ~~any~~ a county  
27 may, with respect to bonds issued by the county pursuant to 7-34-2411 ~~through 7-34-2418~~ for a health  
28 care facility and if approved by the voters as provided in 7-34-2414, by resolution covenant that:

29 (i) in the event that at any time all ~~revenues~~ revenue, including taxes, appropriated and ~~therefore~~  
30 collected for ~~such~~ the bonds ~~are~~ is insufficient to pay principal or interest then due, it will levy a general

1 tax upon all of the taxable property in the county for the payment of ~~such the~~ deficiency; and

2 (iii) at any time a deficiency is likely to occur within 1 year for the payment of principal and interest  
3 due on ~~such the~~ bonds, it will levy a general tax upon all the taxable property in the county for the payment  
4 of ~~such the~~ deficiency.

5 (b) The resolution ~~shall~~ must state the principal amount and purpose of the bonds and the  
6 substance of the covenant respecting deficiencies.

7 (2) ~~Such The~~ taxes ~~shall~~ are not ~~be~~ subject to any limitation of rate or amount applicable to other  
8 county taxes but ~~shall be~~ are limited to a rate estimated to be sufficient to produce the amount of the  
9 deficiency.

10 (3) In the event ~~more than one county is included in an authority issuing bonds that the health care~~  
11 facility for which bonds are issued pursuant to 7-34-2411 through 7-34-2418 is a joint institution, as  
12 provided in part 25, and the deficiency tax levy is authorized under 7-34-2417, the counties may apportion  
13 the obligation to levy taxes for the payment of or in anticipation of a deficiency in the revenues  
14 appropriated for ~~such the~~ bonds in ~~such the~~ manner as the counties shall determine."

15

16 **Section 18.** Section 7-34-2501, MCA, is amended to read:

17 "**7-34-2501. Definitions.** As used in this part, the following definitions ~~shall~~ apply:

18 (1) "Contract" means the agreement entered into by two or more counties for the purpose of  
19 creating a joint institution.

20 (2) "Joint institution" means a county ~~hospital or nursing~~ health care facility or boarding home for  
21 the aged or infirm constructed, purchased, leased, equipped, and operated by two or more counties  
22 pursuant to the terms of the contract creating it."

23

24 **Section 19.** Section 53-2-802, MCA, is amended to read:

25 "**53-2-802. Definitions.** Unless the context requires otherwise, in this part, the following definitions  
26 apply:

27 (1) "County department" means the county department of public welfare provided for in part 3 of  
28 this chapter.

29 (2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

30 (3) "Needy person" is one who is eligible for public assistance under the laws of this state.

1 (4) "Protective services" means services to children and adults to be provided by the department  
2 of family services as permitted by Titles 41 and 53.

3 (5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished  
4 under this title to a person by a state or county department, regardless of the original source of assistance.

5 (6) "State assumption" means the transfer to the department of social and rehabilitation services  
6 and the department of family services by the board of county commissioners of all powers and duties,  
7 including staff personnel as provided in 53-2-301 through 53-2-306 and for public assistance and protective  
8 services, respectively, provided by the county department pursuant to Titles 41 and 53, except as  
9 otherwise specifically provided in this part. A county may continue to provide optional indigent assistance  
10 as provided in 53-2-804 and ~~nursing home and hospital~~ health care services as provided in 7-6-2512."

11

12 NEW SECTION. **Section 20. Repealer.** Sections 7-34-2302 and 7-34-2412, MCA, are repealed.

13

14 NEW SECTION. **Section 21. Effective date.** [This act] is effective on passage and approval.

15

-END-

GOVERNOR'S AMENDMENTS TO  
HOUSE BILL NO. 421  
(REFERENCE COPY)  
April 10, 1995

1. Page 4, line 21.  
Page 4, line 29.  
Page 5, line 14.  
Page 8, line 21.  
Following: "aged"  
Strike: "or infirm"

## 1 HOUSE BILL NO. 421

2 INTRODUCED BY EWER, BECK

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS ON COUNTY HOSPITALS; PROVIDING  
 5 FOR COUNTY HEALTH CARE FACILITIES; PROVIDING FOR THE PLEDGE OF TAXES TO THE REPAYMENT  
 6 OF CERTAIN BONDS; AUTHORIZING THE CONSTRUCTION, LEASING, AND FINANCING OF HEALTH CARE  
 7 FACILITIES; CLARIFYING THAT CERTAIN BONDS MAY BE ISSUED WITHOUT AN ELECTION; AMENDING  
 8 SECTIONS 7-6-2512, 7-8-2102, 7-8-2103, 7-34-2201, 7-34-2202, 7-34-2203, 7-34-2204, 7-34-2301,  
 9 7-34-2303, 7-34-2401, 7-34-2402, 7-34-2411, 7-34-2414, 7-34-2415, 7-34-2416, 7-34-2417,  
 10 7-34-2418, 7-34-2501, AND 53-2-802, MCA; REPEALING SECTIONS 7-34-2302 AND 7-34-2412, MCA;  
 11 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14  
 15 **Section 1.** Section 7-6-2512, MCA, is amended to read:

16 **"7-6-2512. County tax levy for ~~nursing homes and hospital~~ health care facilities.** (1) The board  
 17 of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to  
 18 exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county ~~for the~~  
 19 ~~erection, maintenance, and operation of~~ to erect, furnish, equip, expand, improve, maintain, and operate  
 20 county-owned or county-operated ~~hospitals and nursing homes or other hospital~~ health care facilities  
 21 created under 7-8-2102, 7-34-2201, ~~7-34-2301,~~ and 7-34-2502. "Hospital Health care facilities" as used  
 22 in this section ~~means a hospital or hospital-related facility, including outpatient facilities, public health~~  
 23 ~~centers, rehabilitation facilities, long term care facilities, and infirmaries~~ has the meaning as defined in  
 24 7-34-2201. The combined total number of mills levied under this section and for the county poor fund  
 25 under 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531  
 26 through 7-6-2537 or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill  
 27 levy authorized by this section may not be imposed on property within that hospital district.

28 (2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care  
 29 facility, the board of county commissioners may covenant to levy the tax authorized by this section during  
 30 the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of

1 erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility  
 2 or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes  
 3 to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the  
 4 purpose of any statutory limitation or restriction. The pledge may be made by the board only upon  
 5 authorization of a majority of the electors of the county voting on the pledge at a general or special election  
 6 as provided in 7-34-2414."

7

8 **Section 2.** Section 7-8-2102, MCA, is amended to read:

9 **"7-8-2102. Erection and maintenance of county buildings.** The board of county commissioners  
 10 has jurisdiction and power, under ~~such the~~ the limitations and restrictions ~~as are~~ prescribed by law, to ~~cause~~  
 11 ~~to be erected, furnished, and maintained~~ erect, furnish, equip, expand, improve, and maintain a courthouse,  
 12 jail, ~~hospital~~ health care facility, civic center, youth center, park buildings, museums, recreation centers,  
 13 and any combination ~~thereof~~ of those buildings and ~~such any~~ other public buildings as may be necessary."

14

15 **Section 3.** Section 7-8-2103, MCA, is amended to read:

16 **"7-8-2103. Authorization to create county building commission.** (1) The board of county  
 17 commissioners ~~shall have the power to~~ may create a commission for the management of ~~such a~~ a civic  
 18 center, a youth center, park buildings, museums, county parks, recreation centers, ~~hospitals~~ health care  
 19 facilities, or any combination of ~~two or more thereof~~ those buildings. ~~Such The~~ The commission ~~shall~~ must be  
 20 composed of the ~~chairman~~ presiding officer of the board of county commissioners and five lay members  
 21 to be appointed by the board. In cases ~~where in which~~ a commission has been appointed, the commission,  
 22 together with the board, ~~shall have~~ has the power to employ a manager.

23 (2) The terms of office for the first lay members of the commission ~~shall be~~ are, respectively, one  
 24 for 1 year, two for 2 years, and two for 3 years. On the expiration of ~~such the~~ the terms of ~~figures 1, 2, and~~  
 25 ~~3 years, their,~~ the successors shall hold office for 3 years each.

26 (3) All of the ~~above~~ persons in subsection (2) shall serve without compensation."

27

28 **Section 4.** Section 7-34-2201, MCA, is amended to read:

29 **"7-34-2201. Erection and management of county ~~hospital~~ health care facilities -- definition --**  
 30 **provision of health care services.** (1) The board of county commissioners has jurisdiction and power, under

1 ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law, to ~~cause a hospital to be erected, furnished,~~  
 2 ~~and maintained erect, furnish, equip, expand, improve, and maintain health care facilities and to provide~~  
 3 health care services in those facilities as permitted by law.

4 (2) The board of county commissioners of ~~any a~~ county ~~of this state which now~~ that has or may  
 5 ~~hereafter~~ acquire title to a site and building or buildings suitable for county ~~hospital~~ health care purposes  
 6 ~~shall have~~ has jurisdiction and power, under ~~such the~~ limitations and restrictions ~~as are~~ prescribed by law,  
 7 to erect, furnish and, equip such, expand, improve, maintain, and operate the building or buildings for  
 8 ~~hospital health care purposes in accordance with and~~ as provided by ~~the provisions of~~ this section.

9 (3) ~~As used in parts 21, 23, 24, and 25 and this part, unless the context clearly requires otherwise,~~  
 10 the term "health care facility" means a hospital, a medical assistance facility, an ambulatory surgical facility,  
 11 a hospice, a kidney treatment center, an outpatient facility, a public health center, a rehabilitation facility,  
 12 a long-term care facility, or an adult day-care center, as defined in 50-5-101, or any combination and  
 13 related medical facilities including offices for physicians or other health care professionals providing  
 14 outpatient, rehabilitative, emergency, nursing, or preventive care."

15  
 16 **Section 5.** Section 7-34-2202, MCA, is amended to read:

17 **"7-34-2202. ~~Hospital~~ Health care facilities commission.** The board of county commissioners shall  
 18 ~~have the power to~~ may create a commission for the management of ~~such hospitals~~ health care facilities,  
 19 as provided in 7-8-2103."

20  
 21 **Section 6.** Section 7-34-2203, MCA, is amended to read:

22 **"7-34-2203. Provision of health care for indigent and nonindigent sick services.** A county ~~hospital~~  
 23 ~~so erected and furnished~~ health care facility may be used for the hospitalization of the indigent sick of the  
 24 county to provide health care services. ~~Any county hospital which has heretofore been or which may~~  
 25 ~~hereafter be erected and furnished under the provisions of 7-34-2201 may also be used for the~~  
 26 ~~hospitalization of the nonindigent sick provided said nonindigent sick pay a reasonable fee for such~~  
 27 ~~hospitalization and provided further that, except in cases of emergency, there are no indigent sick needing~~  
 28 ~~hospitalization who would be deprived of hospitalization by reason of the use of said hospital facilities by~~  
 29 ~~nonindigents."~~



1           **Section 7.** Section 7-34-2204, MCA, is amended to read:

2           **"7-34-2204. Lease of county property for ~~hospital~~ health care purposes.** (1) The board of county  
3 commissioners has jurisdiction and power, under the limitations and restrictions prescribed by law, to lease  
4 county buildings, equipment, furniture, and fixtures for ~~hospital~~ health care facility purposes, with full  
5 power of lessor except as ~~hereinafter~~ limited in this section, upon the terms and conditions as the board  
6 may decide upon. The rentals received under the lease or leases ~~shall~~ must be paid into the general fund  
7 of the county, or if the lease is of a long-term care facility or portion of a long-term care facility, the rentals  
8 must be paid into the county poor fund, except as provided in subsection (2)(a).

9           (2) (a) ~~No~~ A lease may not be made for a ~~longer~~ longer period longer than 5 years except in a case of  
10 financing in which bonds are to be or have been issued in accordance with 7-34-2411 ~~through 7-34-2418~~,  
11 in which case the lease may ~~terminate at~~ extend until the maturity date of the bonds sold and in which case  
12 bond payments may be made from lease receipts.

13           (b) The board may not enter into a ~~contract of~~ lease without ~~and until~~ first having advertised in a  
14 newspaper published in the county at least once a week for 5 weeks that the ~~buildings and equipment~~  
15 health care facility or designated portion of a health care facility, including equipment if applicable, are is  
16 for lease for ~~hospital~~ health care purposes."

17  
18           **Section 8.** Section 7-34-2301, MCA, is amended to read:

19           **"7-34-2301. Construction and operation of county boarding ~~or nursing~~ home authorized.** The  
20 board of county commissioners may erect, furnish, equip, expand, improve, maintain, and operate a  
21 boarding home ~~or nursing home~~ for the aged ~~or infirm~~ that does not constitute a health care facility, subject  
22 to any applicable standards established by the department of health and environmental sciences. A  
23 boarding home may be located adjacent to or in a building containing a health care facility and may be  
24 operated in conjunction with the health care facility."

25  
26           **Section 9.** Section 7-34-2303, MCA, is amended to read:

27           **"7-34-2303. Lease of county property for boarding ~~or nursing~~ home.** (1) The board of county  
28 commissioners may lease ~~and demise~~ county buildings, equipment, furniture, and fixtures for the purpose  
29 of operation of a boarding home ~~or nursing home~~ for aged ~~or infirm~~ persons, with full power of lessor  
30 except as limited in this part, upon terms and conditions as the board ~~shall~~ may decide upon.

1 (2) The rentals received under the lease or leases must be paid into the poor fund of the county,  
 2 or if bonds have been issued under 7-34-2411 to finance or refinance the costs of a boarding home, the  
 3 rentals must be applied, as necessary, to the payment of the principal of or interest on the bonds.

4 (3) (a) Except as provided in subsection (3)(b), the lease ~~and demise~~ may not be made for a longer  
 5 period longer than 5 years.

6 (b) ~~If a lessee of a nursing home is required to undertake capital improvements by state or federal~~  
 7 ~~agencies administering health and safety laws and the undertaking requires financing from sources other~~  
 8 ~~than county revenues, the term of the lease and demise may correspond to the term of the financing but~~  
 9 ~~may not exceed 15 years. A lease may be made for a period longer than 5 years when bonds are to be~~  
 10 or have been issued under 7-34-2411, in which case the lease may extend until the maturity date of the  
 11 bonds.

12 (4) The board may not enter into a ~~contract of~~ lease unless it has advertised in a newspaper  
 13 published in the county at least once a week for 5 weeks that specified buildings and equipment are for  
 14 lease for the purpose of a boarding home ~~or nursing home~~ for aged or infirm persons."

15  
 16 **Section 10.** Section 7-34-2401, MCA, is amended to read:

17 **"7-34-2401. Depletion allowance reserve fund authorized.** The governing body of ~~any a~~ county  
 18 ~~in Montana~~ may establish a depletion allowance reserve fund for the replacement and acquisition of  
 19 property and equipment for county-operated ~~hospitals and nursing homes~~ health care facilities created under  
 20 7-8-2102, 7-34-2201, ~~7-34-2301~~, and 7-34-2502."

21  
 22 **Section 11.** Section 7-34-2402, MCA, is amended to read:

23 **"7-34-2402. Sources of money for depletion allowance reserve fund.** Money for the depletion  
 24 allowance reserve fund may be derived from:

25 (1) public and private grants;

26 (2) money collected by the ~~hospital or nursing home~~ health care facility for which the fund is  
 27 created, from or for indigent patients or residents, that ~~are~~ is in excess of the expenses incurred for the care  
 28 of ~~such~~ the patients or residents."

29  
 30 **Section 12.** Section 7-34-2411, MCA, is amended to read:

1           "~~7-34-2411. Hospital and nursing home~~ County health care facility bonds authorized. (1)  
 2 Notwithstanding any limitation imposed by law upon the bonded indebtedness of a county, a county  
 3 ~~constructing~~ acquiring, erecting, furnishing, equipping, expanding, improving, or maintaining a hospital or  
 4 ~~nursing home~~ health care facility under 7-8-2102 or 7-34-2201 or a boarding home under 7-34-2301 may  
 5 borrow money and issue its bonds ~~therefor~~ for a health care facility or a boarding home, including refunding  
 6 bonds, in ~~such the~~ the form and upon ~~such the~~ the terms as it may determine, payable out of any ~~revenues~~ revenue  
 7 of the facility or boarding home, respectively, including ~~revenues~~ revenue derived from:

8           (a) fees and payments for ~~hospital or nursing~~ health care or boarding home services;

9           (b) taxes levied under ~~7-6-2512 or 7-34-2417~~ for a health care facility;

10          (c) grants or contributions from the federal government; or

11          (d) any other sources.

12          (2) For the security of ~~any such the~~ the bonds, the county may by resolution make and enter into any  
 13 covenant, agreement, or indenture and exercise any additional powers authorized to be made, entered into,  
 14 or exercised by a county, including those authorized in 7-6-2512 and this part. The sums required ~~from time~~  
 15 ~~to time~~ to pay principal and interest and to create and maintain a reserve for the bonds may be made  
 16 payable from any and all ~~revenues referred to in 7-34-2411 through 7-34-2418~~ revenue of the health care  
 17 facility or boarding home prior to the payment of current costs of operation and maintenance of the  
 18 facilities."

19

20           **Section 13.** Section 7-34-2414, MCA, is amended to read:

21           "~~7-34-2414. Election required on question of issuance of bonds.~~ (1) ~~No bonds~~ A county may be  
 22 ~~issued by any county~~ not issue bonds to which all or a portion of the taxes levied under 7-6-2512 are  
 23 pledged or to which the general tax authorized under 7-34-2418 is pledged until the question of approval  
 24 of the issuance of ~~such the~~ the bonds has been submitted to the registered electors of the county at a general  
 25 election or a special election called for that purpose by the governing body of the county and the majority  
 26 of the electors voting on the question have voted in favor ~~thereof~~ of the bonds. The notice and conduct  
 27 of the election ~~shall~~ must be governed, to the extent applicable, by the laws governing the election on  
 28 county general obligation bonds in chapter 7, part 22.

29           (2) If less than a majority of the electors voting ~~thereon~~ on the issuance of the bonds vote ~~against~~  
 30 in favor of the issuance of the bonds, the county ~~shall have no authority to~~ may not issue the bonds under

1 7-34-2411 ~~through 7-34-2418.~~"

2

3 **Section 14.** Section 7-34-2415, MCA, is amended to read:

4 "7-34-2415. **Details of bonds.** (1) The bonds may be sold at public or private sale and ~~shall~~ bear  
5 interest at a rate or rates as provided in 17-5-102. The bonds may be for a 40-year period.

6 (2) Except as otherwise provided in 7-34-2411 and 7-34-2413 through 7-34-2418, any bonds  
7 issued pursuant to 7-34-2411 and 7-34-2413 through 7-34-2418 by a county ~~shall~~ must be payable as to  
8 principal and interest solely from ~~revenues~~ revenue of the county and ~~shall~~ must state on their face the  
9 applicable limitations or restrictions regarding the source or sources from which ~~such~~ the principal and  
10 interest are payable."

11

12 **Section 15.** Section 7-34-2416, MCA, is amended to read:

13 "7-34-2416. **Tax-exempt status of bonds.** Bonds issued by a county pursuant to the provisions  
14 of 7-34-2411 and 7-34-2413 through 7-34-2418 are declared to be issued for an essential public and  
15 governmental purpose by a political subdivision within the meaning of 15-30-111(2)(a)."

16

17 **Section 16.** Section 7-34-2417, MCA, is amended to read:

18 "7-34-2417. **Special tax levy authorized.** In the event the bonds ~~become delinquent or cannot~~ are  
19 not paid or are not expected to be paid from ordinary ~~revenues~~ revenue of the facility, a county ~~which that~~  
20 has issued bonds under 7-34-2411 for a health care facility may levy taxes on all taxable property within  
21 the county in the manner provided for public hospital districts under 7-34-2133, 7-34-2134, 7-34-2135(1),  
22 and 7-34-2136, up to a maximum of 3 mills not submitted to a vote of the people and 3 additional mills  
23 approved by a vote of the people."

24

25 **Section 17.** Section 7-34-2418, MCA, is amended to read:

26 "7-34-2418. **General tax to support bonds authorized.** (1) (a) The governing body of ~~any a~~ county  
27 may, with respect to bonds issued by the county pursuant to 7-34-2411 ~~through 7-34-2418~~ for a health  
28 care facility and if approved by the voters as provided in 7-34-2414, by resolution covenant that:

29 (i) in the event that at any time all ~~revenues~~ revenue, including taxes, appropriated and ~~therefore~~  
30 collected for ~~such~~ the bonds ~~are~~ is insufficient to pay principal or interest then due, it will levy a general

1 tax upon all of the taxable property in the county for the payment of ~~such~~ the deficiency; and

2 (ii) at any time a deficiency is likely to occur within 1 year for the payment of principal and interest  
3 due on ~~such~~ the bonds, it will levy a general tax upon all the taxable property in the county for the payment  
4 of ~~such~~ the deficiency.

5 (b) The resolution ~~shall~~ must state the principal amount and purpose of the bonds and the  
6 substance of the covenant respecting deficiencies.

7 (2) ~~Such~~ The taxes ~~shall~~ are not ~~be~~ subject to any limitation of rate or amount applicable to other  
8 county taxes but ~~shall be~~ are limited to a rate estimated to be sufficient to produce the amount of the  
9 deficiency.

10 (3) In the event ~~more than one county is included in an authority issuing bonds~~ that the health care  
11 facility for which bonds are issued pursuant to 7-34-2411 through 7-34-2418 is a joint institution, as  
12 provided in part 25, and the deficiency tax levy is authorized under 7-34-2417, the counties may apportion  
13 the obligation to levy taxes for the payment of or in anticipation of a deficiency in the revenues  
14 appropriated for ~~such~~ the bonds in ~~such~~ the manner as the counties shall determine."

15

16 **Section 18.** Section 7-34-2501, MCA, is amended to read:

17 "**7-34-2501. Definitions.** As used in this part, the following definitions ~~shall~~ apply:

18 (1) "Contract" means the agreement entered into by two or more counties for the purpose of  
19 creating a joint institution.

20 (2) "Joint institution" means a county ~~hospital or nursing~~ health care facility or boarding home for  
21 the aged ~~or infirm~~ constructed, purchased, leased, equipped, and operated by two or more counties  
22 pursuant to the terms of the contract creating it."

23

24 **Section 19.** Section 53-2-802, MCA, is amended to read:

25 "**53-2-802. Definitions.** Unless the context requires otherwise, in this part, the following definitions  
26 apply:

27 (1) "County department" means the county department of public welfare provided for in part 3 of  
28 this chapter.

29 (2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

30 (3) "Needy person" is one who is eligible for public assistance under the laws of this state.

1           (4) "Protective services" means services to children and adults to be provided by the department  
2 of family services as permitted by Titles 41 and 53.

3           (5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished  
4 under this title to a person by a state or county department, regardless of the original source of assistance.

5           (6) "State assumption" means the transfer to the department of social and rehabilitation services  
6 and the department of family services by the board of county commissioners of all powers and duties,  
7 including staff personnel as provided in 53-2-301 through 53-2-306 and for public assistance and protective  
8 services, respectively, provided by the county department pursuant to Titles 41 and 53, except as  
9 otherwise specifically provided in this part. A county may continue to provide optional indigent assistance  
10 as provided in 53-2-804 and ~~nursing home and hospital~~ health care services as provided in 7-6-2512."

11

12           NEW SECTION. Section 20. Repealer. Sections 7-34-2302 and 7-34-2412, MCA, are repealed.

13

14           NEW SECTION. Section 21. Effective date. [This act] is effective on passage and approval.

15

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