CHAPTER 23-30
HOSPITAL DISTRICTS

23-30-01. Definitions.

In this chapter, unless the context or subject matter otherwise requires:

1. "Hospital" means an institution with an organized medical staff, permanent facilities including inpatient beds, medical services including physician services and continuous nursing services, to provide diagnosis and treatment for medical conditions, both surgical and nonsurgical, and services including rehabilitation services.
2. "Hospital district" means a district organized pursuant to section 23-30-02 for the purpose of supporting one or more of the following types of institutions: a hospital, an intermediate health care facility, a nursing home, or a clinic.
3. "Intermediate health care facility" means a health-related institution planned, organized, operated, and maintained to supply supportive, restorative, and preventive health care with related social care, to individuals who, because of their physical or mental condition, or both, require less than twenty-four-hour nursing care in an institutional environment, but who do not have an injury, illness, or disability for which regular medical care and twenty-four-hour nursing services are required.
4. "Nursing home" means an institution in which nursing care is rendered for compensation to two or more persons not related to the operator by blood or marriage, serving persons suffering from a prolonged physical or mental illness or defect, or persons recovering from some injury or disease. Care provided must include: administration of medicines, preparation of special diets, giving of bedside care, application of dressings and bandages, and carrying out treatments prescribed by duly licensed practitioners of the healing arts.

23-30-02. Hospital districts authorized - Dissolution of districts.

1. The board of county commissioners of any county, or two or more boards of county commissioners acting jointly, shall, when requested to do so by petition of twenty percent of the qualified electors of the area to be included in a proposed hospital district, as determined by those voting for governor in that geographical area at the last gubernatorial election, submit the question to the qualified electors at a special election or the next regularly scheduled primary or general election as to whether or not the qualified electors of the area desire to establish a hospital district and whether they approve of the mill levy authorized by section 23-30-07 for the purpose of supporting such hospital district. If sixty percent of the qualified electors voting in the election within the proposed district approve, the county commission or county commissions, as the case may be, shall, by resolution, create the hospital district comprising the entire area as described in the petition.
2. In the event the qualified electors of a hospital district desire to dissolve such district, thirty percent of the qualified electors, determined as in subsection 1, may petition the board of directors of the hospital district to place the question of the continued existence of the hospital district before the qualified electors of the district at the next regularly scheduled primary or general election. If at least sixty percent of the qualified electors voting in such election do not approve of the continued operation of the hospital district, the board of directors shall notify the county commission or county commissions, as the case may be. The county commission or county commissions shall, upon receipt of such notice, by resolution order the dissolution of the hospital district. Mill levies previously authorized shall continue to be collected as authorized until the termination of the authority therefor.
3. The petition shall contain the name and address of each petitioner, the suggested name of the proposed district, the area in square miles [kilometers] to be included therein, the population of such area according to the most recent census, and a complete description according to government survey of the boundaries of the real property to be included in the proposed district. The petitioners shall also present to the county auditor or auditors a plat or map showing the suggested boundaries of the

proposed district, and shall deposit with the auditor a sum of money sufficient to defray the expenses of publishing the notices required by this chapter and the cost of any special election.

4. Any city located within the area, whether or not such city has a hospital, shall be included in the district.

23-30-03. Notice of hearing.

Following the passage of the resolution of the board of county commissioners, the county auditor shall designate a time and place for a public meeting of all electors residing within the boundaries of the district as fixed by the resolution of the board of county commissioners. Notice of such meeting must be given by publication for two weeks in a newspaper of general circulation in the county, the last publication appearing at least seven days prior to said meetings; said notice must include a description of the boundaries of the district as set forth in the resolution of the board of county commissioners; provided, that if the proposed district is within two or more counties, the county auditor of the county in which the greater portion of the district is to be situated shall fix the time and place for the public meeting and cause notice thereof to be published in each county in which the district is to be situated in the manner hereinbefore provided.

23-30-04. Board of directors.

At the time and place fixed by the county auditor for the public meeting as provided in section 23-30-03, the electors residing within the boundaries of the district shall, by approval of a majority of those present, establish election procedures and elect a board of directors of the hospital district. The board of directors shall consist of not less than five residents of the district. The board of directors shall meet as soon after the organizational meeting as possible to elect a president, a vice president, and a secretary-treasurer. All directors and officers must be elected for two years and hold office until their successors have been elected and qualified, except that at the first election the vice president must be elected as provided in this section for a one-year term, and one-half, or as close to one-half as possible depending upon the total number of directors, of the directors elected at the first election following July 1, 1975, must be selected by lot in the presence of a majority of such directors to serve one-year terms. All officers shall serve without pay.

23-30-05. Regular meeting to be held.

A regular meeting of the electors who are owners of any interest in real property assessed for taxation in the district and who are residing within the boundaries of a district must be held each calendar year at a time determined by the board of directors and special meetings may be called by the board of directors at any time. Notice of a meeting must be given by the secretary-treasurer by one publication in a legal newspaper of general circulation in each county in which the district is situated. The meeting must be held not less than seven days nor more than fourteen days after the date of publication of the notice.

23-30-06. Powers of board of directors.

The board of directors has the following general powers:

1. To make an annual estimate of the probable expense for operating the district.
2. To annually certify such estimate to the proper county auditor or auditors in the manner provided by section 23-30-07.
3. To manage and conduct the business affairs of the district.
4. To make and execute contracts in the name of and on behalf of the district.
5. To incur indebtedness on behalf of the district for the purpose of constructing a building or for any other purpose incidental to the operation of a district within the limits prescribed by section 23-30-08 and to authorize the issuance of evidences of such indebtedness permitted under section 23-30-08, and to pledge any real property owned or acquired by the district as security for the same.

6. To organize, establish, build, equip, maintain, and supervise a hospital to serve the district.
7. Generally, to perform all acts necessary to fully carry out the purposes of this chapter.

23-30-07. Tax levy authorized - Financial report.

The board of directors shall annually estimate the probable expense for operating the hospital district. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year. In the year for which the levy is sought, the board of directors of a hospital district seeking approval of a property tax levy under this chapter must file with the county auditor of each county within the hospital district, at a time and in a format prescribed by the county auditors, a financial report for the preceding calendar year showing the ending balances of each fund held by the hospital district during that year. The auditor or auditors may levy a tax not exceeding the limitation in section 57-15-26.4 for the maintenance of the district for the fiscal year as provided by law. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the district, who must have a surety bond set by the board of directors in the amount of at least five thousand dollars.
3. Placed to the credit of the district authorizing it by its secretary-treasurer in a state or national bank qualifying as a public depository.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the district.

The amount of the tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense including the amount of principal and interest upon the indebtedness of the district for the ensuing year.

Voter-approved levy authority under this section or section 23-18-01 authorized by electors of a county before January 1, 2015, remains in effect through taxable year 2024 or for the time period authorized by the electors, whichever expires first. After January 1, 2015, approval or reauthorization by electors of voter-approved levy authority under this section may not be effective for more than ten taxable years.

23-30-08. Indebtedness of district limited.

No district may become indebted for an amount that may not be payable from twenty annual maximum tax levies as authorized by section 23-30-07. Within the limits herein authorized, the district shall have power to borrow money and to issue appropriate evidence of indebtedness thereof.

23-30-09. Funds collected to be deposited.

The following must be deposited in a state or national bank qualified as a depository for public funds to the credit of the district fund and may be drawn out only by warrant:

1. All funds collected on behalf of the district through the levy of taxes.
2. All income and earnings of the district.
3. All donations, contributions, bequests, or annuities.
4. All borrowed money received by or on behalf of the district.

Such claim voucher must be authorized by the board of directors and must bear the signature of the treasurer and the countersignature of the president of such district. The secretary-treasurer of the district shall, at each annual public meeting of the district, present a financial report concerning the affairs of the district.

23-30-10. Hospital district may enter into contract.

Any hospital district may enter into a contract with a hospital or with another district to consolidate or cooperate for mutual purposes, including, but not limited to, ambulance or emergency vehicle services, or may enter into a contract with any federal, state, or local

government agency for hospital or doctor services, upon terms suitable to all concerned, and power to make such contracts is hereby conferred upon such state or local government agency in addition to such powers as have been heretofore provided by law.

23-30-11. Territory to be annexed.

1. Any territory which is adjacent to the boundary of an existing hospital district may be annexed to such district in the manner hereinafter provided.
2. The proceedings for the annexation, referred to in subsection 1, may be initiated by the presentation to the county auditor of a petition signed by thirty percent or more of the qualified electors who are owners of any interest in real property assessed for taxation in the territory to be annexed and who are residing within the boundaries of such territory stating the desires and purposes of such petitioners. The petition must contain a description of the boundaries of the territory proposed to be annexed. It must be accompanied by a map or plat and a deposit for publication costs.
3. The county auditor shall consult the tax schedules in the county auditor's office and determine and certify whether or not such petition complies with the requirements of subsection 2 and that the qualified electors signing the same appear to reside within the boundaries described by such petition. Thereafter, the county auditor shall forward such petition, map or plat, and certificate to the board of directors of the district concerned.
4. Within thirty days after receiving the petition, map or plat, and certificate of the county auditor, in accordance with subsection 3, from the county auditor, such board of directors shall transmit the same to the proper county board, accompanied by a report in writing approving or disapproving the proposal contained in the petition, or approving such proposal in part and disapproving it in part.
5. If the report of the board of directors, referred to in subsection 4, disapproves the proposal, the petition must be rejected. If the report is favorable to such proposal, either in whole or in part, the board of county commissioners shall give notice of election in the manner prescribed by section 23-30-03 and submit the question to the qualified electors at the next regularly scheduled primary or general election as to whether or not the qualified electors of the proposed area desire to be annexed and whether they approve of the mill levy authorized by section 23-30-07 for the purpose of supporting such hospital district. If at least sixty percent of the qualified electors voting in the election within the territory proposed to be annexed approve, the territory becomes a part of the existing hospital district.