

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951



ENROLLED

HOUSE BILL No. 211

(By Mr. Wysmy)



PASSED February 16 1951

In Effect from Passage



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**House Bill No. 211**

(By MR. WYSONG)

[Passed February 16, 1951; in effect from passage.]

AN ACT to amend and reenact article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding four sections, to be designated sections fourteen, fifteen, sixteen and seventeen, authorizing counties to procure and operate county public hospital facilities on a self-sustaining basis, and to issue revenue bonds in connection therewith payable exclusively from revenues from such operation.

*Be it enacted by the Legislature of West Virginia:*

That article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding four sections, to be designated sections fourteen, fifteen, sixteen and seventeen, to read as follows:

**Article 3. County Property**

Section 14. *Authority to Acquire and Operate Hospitals; Financing.*—The county court of any county is

3 hereby authorized and empowered to acquire by pur-  
4 chase or construction and to thereafter own, equip, fur-  
5 nish, operate, improve and extend a county public hos-  
6 pital with all appurtenances, including the necessary real  
7 estate as a site therefor. Any such county public hospital  
8 may include a nurses home and nurses training school.  
9 For the purpose of paying all or any part of the cost not  
10 otherwise provided of acquiring, completing, equipping,  
11 furnishing, improving or extending such hospital, such  
12 county court is hereby authorized and empowered by  
13 order duly entered of record to issue and sell the nego-  
14 tiable revenue bonds of such county, which shall be  
15 payable solely and only from all or such part of the net  
16 revenues from the operation of such county public hos-  
17 pital as may be provided by said order; and each such  
18 revenue bond so issued shall contain a recital that pay-  
19 ment or redemption of the bond and payment of the in-  
20 terest thereon is secured by the revenues pledged there-  
21 for, and that such bond does not constitute an indebted-  
22 ness of such county or the county court thereof within the  
23 meaning of any constitutional or statutory limitation or

24 provision. Such revenue bonds may bear such date or  
25 dates, may mature at such time or times not exceeding  
26 thirty-four years from their respective dates, may bear  
27 interest at such rate or rates not exceeding five per cent  
28 per annum, may be of such denomination or denomina-  
29 tions, may be in such form, may carry such registration  
30 privileges, may be made subject to such terms of redemp-  
31 tion with or without premium, and may contain such  
32 other terms and covenants not inconsistent with this act  
33 as may be provided in such order. Such revenue bonds  
34 shall be exempt from taxation by the state of West Vir-  
35 ginia and the other taxing bodies of the state. In deter-  
36 mining the amount of revenue bonds to be issued, there  
37 may be included any expenses in connection with and  
38 incidental to the issuance and sale of bonds and for the  
39 preparation of plans, specifications, surveys and estimates,  
40 interest during the estimated construction period and for  
41 six months thereafter, and a reasonable amount for  
42 working capital and prepaid insurance. Such bonds may  
43 be sold in such manner, at such times and upon such  
44 terms as may be determined by the county court to be

45 for the best interests of the county: *Provided*, That no  
46 bonds may be sold upon terms which will result in a net  
47 interest cost of more than six per cent per annum com-  
48 puted to maturity of the bonds according to standard  
49 tables of bond values. There may be included in any  
50 such order authorizing the issuance of revenue bonds  
51 such covenants, stipulations and conditions as may be  
52 deemed necessary with respect to the expenditure of the  
53 bond proceeds, the operation and maintenance of the  
54 county public hospital and the custody and application  
55 of the revenues from such operation. The holder of any  
56 bond or bonds may, by mandamus or other appropriate  
57 proceedings, require and compel performance of any  
58 duties imposed by law in connection with the hospital  
59 or any covenant, stipulation or condition that may have  
60 been expressed in such bond order.

100     *Sec. 15. Board of Hospital Trustees.*—The administra-  
2     tion and management of any county public hospital  
3     acquired, equipped, furnished, improved or extended  
4     under section fourteen of this article shall be vested in  
5     a board of hospital trustees, consisting of not less than

6 five members appointed by the county court. Prior to the  
7 issuance of any bonds under the provisions of section four-  
8 teen of this article, the county court shall appoint two of  
9 such trustees for a term of two years, two trustees for a  
10 term of four years, and one trustee for a term of six years  
11 from the first day of the month during which appointed.  
12 Upon the expiration of such initial appointments, the term  
13 of each new appointee shall be six years, except that any  
14 person appointed to fill a vacancy occurring prior to the  
15 expiration of the term for which his predecessor was ap-  
16 pointed shall be appointed only for the remainder of such  
17 term. Any trustee shall be eligible for reappointment  
18 upon the expiration of his term. The trustees shall receive  
19 no compensation for their services, but shall be reim-  
20 bursed for any expenses incurred in the performance of  
21 their duties. Any trustee may be removed by the county  
22 court for incompetency, neglect of duty or malfeasance in  
23 office after an opportunity to be heard at a public hearing  
24 before the county court. At the first meeting of the board  
25 of trustees, and annually thereafter, it shall organize by  
26 designating one of its members as chairman and by ap-

27 pointing a secretary who may, but need not, be a trustee.  
28 The sheriff of the county shall be ex officio treasurer of  
29 the board.

30 Such board of trustees shall provide for the employ-  
31 ment and shall fix the compensation and remove at  
32 pleasure all professional, technical and other employees,  
33 skilled or unskilled, as it may deem necessary for the  
34 operation and maintenance of the hospital; and disburse-  
35 ment of funds in such operation and maintenance shall  
36 be made only upon order and approval of such board.  
37 The board of trustees shall make all rules and regulations  
38 governing its meetings and the operation of the hospital.

Section 16. *Operation with Bonds Outstanding.*—So  
2 long as any revenue bonds remain outstanding under the  
3 provisions of section fourteen of this article, the hospital  
4 and all appurtenances shall be operated and maintained  
5 on a revenue producing and self-sustaining basis; and  
6 the board of trustees shall charge, collect and account for  
7 revenues therefrom which will be sufficient to pay the  
8 interest on such bonds as the same becomes due, to create  
9 and maintain a sinking fund to pay and retire the prin-

10 cipal at or before maturity, and to pay the costs of op-  
11 erating and maintaining the hospital. The order author-  
12 izing such bonds shall definitely fix and determine the  
13 amount of the revenues which shall be necessary and set  
14 apart in a special fund to pay such interest and to pay  
15 and retire such principal; and all or such portion of the  
16 balance of such revenues as may be necessary shall be  
17 set apart in a special fund to pay the costs of operation  
18 and maintenance of the hospital.

2       Sec. 17. *Construction.*—The provisions of sections four-  
3 teen, fifteen, and sixteen of this article shall be construed  
4 as conferring separate and additional powers as herein  
5 set forth and shall be deemed full authority for the acqui-  
6 sition, improvement, extension, maintenance and opera-  
7 tion of the hospital, and for the issuance and sale of the  
8 bonds by this act authorized: *Provided*, That all perti-  
9 nent functions, powers and duties of the state department  
of health shall remain in effect.



The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

A. R. Weathers  
Chairman Senate Committee

James M. Loop  
Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

Samuel H. Hays  
Clerk of the Senate

J. R. Allen  
Clerk of the House of Delegates

Samuel R. Houston  
President of the Senate

W. E. Hamner  
Speaker House of Delegates

The within approved this the 27th  
day of February, 1951.

Chas. L. Patton  
Governor



of West Virginia FEB 27 1951  
D. PITT O'BRIEN,  
SECRETARY OF STATE