

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1965

---

ENROLLED

SENATE BILL NO. 122

(By Mr. Carson, Mr. President, and  
Mr. Carigan)

PASSED March 12, 1965

In Effect from Passage

FILED IN THE OFFICE OF  
JOE F. BURDETT  
SECRETARY OF STATE  
THIS DATE 3-19-65

#122

**ENROLLED**

**Senate Bill No. 122**

(By MR. CARSON, MR. PRESIDENT, and MR. CARRIGAN)

[Passed March 12, 1965; in effect from passage.]

AN ACT to amend and reenact sections fourteen, fifteen, sixteen and seventeen, article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, and to further amend said article three by adding thereto a new section, designated section fourteen-a, relating to the authority of a county court to acquire, own, etc., hospitals, clinics, long-term care facilities and other related facilities; defining the terms "hospital", "clinic" and "long-term care facility" as such terms are used in said article three; authorizing a county court to acquire by purchase or construction and to thereafter own, equip, furnish, operate, lease, improve and extend a clinic, long-term care facility and other related facilities; authorizing

a county court to lease a hospital; empowering a county court, upon acquiring a hospital, clinic, long-term care facility or other related facility, to lease the same to others for such rentals and upon such terms and conditions as the county court may deem advisable; authorizing the issuance of revenue bonds to be serviced and paid out of the revenue of such clinic, long-term care facility or other related facility; investing the administration and management of any such clinic, long-term care facility or other related facility in a board of trustees and specifying the powers of such board.

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

That sections fourteen, fifteen, sixteen and seventeen, article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and re-enacted; and that said article three be further amended by adding thereto a new section, designated section fourteen-a, all to read as follows:

**Section 14. Authority to Acquire and Operate Hospitals,  
2 Clinics, Long-term Care Facilities and Other Related  
3 Facilities; Financing.**—The county court of any county

4 is hereby authorized and empowered to acquire by pur-  
5 chase or construction and to thereafter own, equip, fur-  
6 nish, operate, lease, improve and extend a public hospital,  
7 clinic, long-term care facility and other related facilities,  
8 with all appurtenances, including the necessary real estate  
9 as a site therefor. Any such county public hospital ac-  
10 quired pursuant hereto may include a nurses home and  
11 nurses training school. The county court is further au-  
12 thorized and empowered, upon acquiring a hospital, clinic,  
13 long-term care facility or other related facility, to lease  
14 to others any or all such facilities for such rentals and  
15 upon such terms and conditions as the county court may  
16 deem advisable. For the purpose of paying all or any  
17 part of the costs, not otherwise provided, of acquiring,  
18 completing, equipping, furnishing, improving or extend-  
19 ing such hospital, clinic, long-term care facility or other  
20 related facility, the county court is hereby authorized  
21 and empowered by order duly entered of record, to  
22 issue and sell the negotiable revenue bonds of such  
23 county, which shall be payable solely and only from  
24 all or such part of the net revenues from the operation

25 of such county public hospital, clinic, long-term care fa-  
26 cility or other related facility as may be provided by  
27 said order; and each such revenue bond so issued shall  
28 contain a recital that payment or redemption of the bond  
29 and payment of the interest thereon is secured by the  
30 revenues pledged therefor, and that such bond does not  
31 constitute an indebtedness of such county or the county  
32 court thereof within the meaning of any constitutional or  
33 statutory limitation or provision. Such revenue bonds  
34 may bear such date or dates, may mature at such time or  
35 times not exceeding thirty-four years from their respec-  
36 tive dates, may bear interest at such rate or rates not ex-  
37 ceeding five per cent per annum, may be of such denomi-  
38 nation or denominations, may be in such form, may carry  
39 such registration privileges, may be made subject to such  
40 terms of redemption with or without premium, and may  
41 contain such other terms and covenants not inconsistent  
42 with this act as may be provided in such order. Such  
43 revenue bonds shall be exempt from taxation by the state  
44 of West Virginia and the other taxing bodies of the state.  
45 In determining the amount of revenue bonds to be issued,

46 there may be included any expenses in connection with  
47 and incidental to the issuance and sale of bonds and for  
48 the preparation of plans, specifications, surveys and esti-  
49 mates, interest during the estimated construction period  
50 and for six months thereafter, and a reasonable amount  
51 for working capital and prepaid insurance. Such bonds  
52 may be sold in such manner, at such times and upon such  
53 terms as may be determined by the county court to be for  
54 the best interests of the county: *Provided*, That no bonds  
55 may be sold upon terms which will result in the net  
56 interest cost of more than six per cent per annum com-  
57 puted to maturity of the bonds according to standard  
58 tables of bond values. There may be included in any such  
59 order authorizing the issuance of revenue bonds such  
60 covenants, stipulations and conditions as may be deemed  
61 necessary with respect to the expenditure of the bond  
62 proceeds, the operation and maintenance of the county  
63 public hospital, clinic, long-term care facility or other  
64 related facility, and the custody and application of the  
65 revenues from such operation. The holder of any bond or  
66 bonds may, by mandamus or other appropriate proceed-

67 ings, require and compel performance of any duties im-  
68 posed by law in connection with the hospital, clinic, long-  
69 term care facility or other related facility, or any cove-  
70 nant, stipulation or condition that may have been ex-  
71 pressed in such bond order.

**Sec. 14-a. Definitions.**—The following terms whenever  
2 used in this article shall have the following meanings:

3 (a) The term “hospital” shall mean any general hos-  
4 pital, chronic disease hospital, mental hospital and other  
5 related facilities.

6 (b) The term “clinic” shall mean any community  
7 medical clinic, mental health center and other related  
8 facilities.

9 (c) The term “long-term care facility” shall mean any  
10 nursing home, rest home, housing facility for aged citizens  
11 and other related facilities.

**Sec. 15. Board of Trustees.**—The administration and  
2 management of any county public hospital, clinic, long-  
3 term care facility or other related facility acquired,  
4 equipped, furnished, improved or extended under section  
5 fourteen of this article shall be vested in a board of trus-

tees, consisting of not less than five members appointed  
by the county court. Prior to the issuance of any bonds  
under the provisions of section fourteen of this article, the  
county court shall appoint two of such trustees for a term  
of two years, two trustees for a term of four years, and  
one trustee for a term of six years from the first day of  
the month during which appointed. Upon the expiration  
of such initial appointments, the term of each new ap-  
pointee shall be six years, except that any person appoint-  
ed to fill a vacancy occurring prior to the expiration of  
the term for which his predecessor was appointed shall be  
appointed only for the remainder of such term. Any  
trustee shall be eligible for reappointment upon the ex-  
piration of his term. The trustees shall receive no com-  
pensation for their services, but shall be reimbursed for  
any expenses incurred in the performance of their duties.  
Any trustee may be removed by the county court for in-  
competency, neglect of duty or malfeasance in office after  
an opportunity to be heard at a public hearing before the  
county court. At the first meeting of the board of trustees,  
and annually thereafter, it shall organize by designating

27 one of its members as chairman and by appointing a sec-  
28 retary who may, but need not, be a trustee. The sheriff  
29 of the county shall be *ex officio* treasurer of the board.

30 Such board of trustees shall provide for the employment  
31 of and shall fix the compensation for and remove at pleas-  
32 ure all professional, technical and other employees, skilled  
33 or unskilled, as it may deem necessary for the operation and  
34 maintenance of the hospital, clinic, long-term care facility  
35 or other related facility; and disbursement of funds in  
36 such operation and maintenance shall be made only upon  
37 order and approval of such board. The board of trustees  
38 shall make all rules and regulations governing its meet-  
39 ings and the operation of the hospital, clinic, long-term  
40 care facility or other related facility.

**Sec. 16. Operation with Bonds Outstanding.**—So long as  
2 any revenue bonds remain outstanding under the provi-  
3 sions of section fourteen of this article, the hospital, clinic,  
4 long-term care facility or other related facility and all  
5 appurtenances shall be operated and maintained on a  
6 revenue producing and self-sustaining basis; and the  
7 board of trustees shall charge, collect and account for

8 revenues therefrom which will be sufficient to pay the  
9 interest on such bonds as the same becomes due, to create  
10 and maintain a sinking fund to pay and retire the princi-  
11 pal at or before maturity, and to pay the costs of operating  
12 and maintaining the hospital, clinic, long-term care fa-  
13 cility or other related facility. The order authorizing such  
14 bonds shall definitely fix and determine the amount of the  
15 revenues which shall be necessary and set apart in a  
16 special fund to pay such interest and to pay and retire  
17 such principal; and all or such portion of the balance of  
18 such revenues as may be necessary shall be set apart in a  
19 special fund to pay the costs of operation and maintenance  
20 of the hospital, clinic, long-term care facility or other re-  
21 lated facility.

**Sec. 17. Construction.**—The provisions of sections four-  
2 teen, fifteen and sixteen of this article shall be construed  
3 as conferring separate and additional powers as herein  
4 set forth and shall be deemed full authority for the ac-  
5 quisition, improvement, extension, maintenance and op-  
6 eration of the hospital, clinic, long-term care facility or  
7 other related facility and for the issuance and sale of the

8 bonds by this act authorized: *Provided*, That all pertinent  
9 functions, powers and duties of the state department of  
10 health shall remain in effect.

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

*Al Ray Fisher*  
Chairman Senate Committee

*James W. Loop*  
Chairman House Committee

Originated in the Senate.

Takes effect *from* ..... Passage.

*Howard Keyes*  
Clerk of the Senate

*A. Blankenship*  
Clerk of the House of Delegates

*Howard W. Cannon*  
President of the Senate

*H. Laban White*  
Speaker House of Delegates

The within *approved* this the *19*  
day of *March*, 1965.

*Sueat C. Smith*  
Governor

