

FIRST REGULAR SESSION

HOUSE BILL NO. 271

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KALBERLOH.

0764H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 96.192, 96.196, and 206.110, RSMo, and to enact in lieu thereof four new sections relating to hospitals.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 96.192, 96.196, and 206.110, RSMo, are repealed and four new
2 sections enacted in lieu thereof, to be known as sections 96.192, 96.196, 206.110, and
3 206.158, to read as follows:

96.192. 1. The board of trustees of any hospital authorized under subsection 2 of this
2 section, and established and organized under the provisions of sections 96.150 to 96.229~~5~~:
3 **(1)** May invest up to ~~[twenty-five]~~ **fifty** percent of the hospital's "**available funds**",
4 **defined in this section as** funds not required for immediate disbursement in obligations or for
5 the operation of the hospital ~~[in any United States investment grade fixed income funds or any~~
6 ~~diversified stock funds, or both.], into:~~

7 **(a) Any mutual funds that invest in stocks, bonds, or real estate, or any**
8 **combination thereof;**

9 **(b) Bonds that have:**

10 **a. One of the five highest long-term ratings or the highest short-term rating**
11 **issued by a nationally recognized rating agency; and**

12 **b. A final maturity of ten years or less;**

13 **(c) Money market investments; or**

14 **(d) Any combination of investments described in paragraphs (a) to (c) of this**
15 **subdivision; and**

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 **(2) Shall invest the remaining percentage of any available funds not invested as**
17 **allowed under subdivision (1) of this subsection into any investment in which the state**
18 **treasurer is allowed to invest.**

19 2. The provisions of this section shall only apply if the hospital:

20 (1) Receives less than ~~[one]~~ **three** percent of its annual revenues from municipal,
21 county, or state taxes; and

22 (2) Receives less than ~~[one]~~ **three** percent of its annual revenue from appropriated
23 funds from the municipality in which such hospital is located.

 96.196. 1. A hospital organized under this chapter may purchase, operate or lease, as
2 lessor or lessee, related facilities or engage in health care activities, except in counties of the
3 third or fourth classification (other than the county in which the hospital is located) where
4 there already exists a hospital organized pursuant to this chapter ~~[and chapter 205 or 206]~~;
5 provided, however, that this exception shall not prohibit the continuation of existing activities
6 otherwise allowed by law.

7 2. If a hospital organized pursuant to this chapter accepts appropriated funds from the
8 city during the twelve months immediately preceding the date that the hospital purchases,
9 operates or leases its first related facility outside the city boundaries or engages in its first
10 health care activity outside the city boundaries, the governing body of the city shall approve
11 the hospital's plan for such purchase, operation or lease prior to implementation of the plan.

 206.110. 1. A hospital district, both within and outside such district, except in
2 counties of the third or fourth classification (other than within the district boundaries) where
3 there already exists a hospital organized pursuant to ~~[chapters 96, 205 or]~~ this chapter;
4 provided, however, that this exception shall not prohibit the continuation or expansion of
5 existing activities otherwise allowed by law, shall have and exercise the following
6 governmental powers, and all other powers incidental, necessary, convenient or desirable
7 to carry out and effectuate the express powers:

8 (1) To establish and maintain a hospital or hospitals and hospital facilities, and to
9 construct, acquire, develop, expand, extend and improve any such hospital or hospital facility
10 including medical office buildings to provide offices for rental to physicians and dentists on
11 the district hospital's medical or dental staff, and the providing of sites therefor, including
12 offstreet parking space for motor vehicles;

13 (2) To acquire land in fee simple, rights in land and easements upon, over or across
14 land and leasehold interest in land and tangible and intangible personal property used or
15 useful for the location, establishment, maintenance, development, expansion, extension or
16 improvement of any hospital or hospital facility. The acquisition may be by dedication,
17 purchase, gift, agreement, lease, use or adverse possession or by condemnation;

18 (3) To operate, maintain and manage a hospital and hospital facilities, and to make
19 and enter into contracts, for the use, operation or management of a hospital or hospital
20 facilities; to engage in health care activities; and to make and enter into leases of equipment
21 and real property, a hospital or hospital facilities, as lessor or lessee, regardless of the duration
22 of such lease; and to provide rules and regulations for the operation, management or use of a
23 hospital or hospital facilities. Any agreement entered into pursuant to this subsection
24 pertaining to the lease of the hospital shall have a definite termination date as negotiated by
25 the parties, but this shall not preclude the trustees from entering into a renewal of the
26 agreement with the same or other parties pertaining to the same or other subjects upon such
27 terms and conditions as the parties may agree;

28 (4) To fix, charge and collect reasonable fees and compensation for the use or
29 occupancy of the hospital or any part thereof, or any hospital facility, and for nursing care,
30 medicine, attendance, or other services furnished by the hospital or hospital facilities,
31 according to the rules and regulations prescribed by the board from time to time;

32 (5) To borrow money and to issue bonds, notes, certificates, or other evidences of
33 indebtedness for the purpose of accomplishing any of its corporate purposes, subject to
34 compliance with any condition or limitation set forth in this chapter or otherwise provided by
35 the Constitution of the state of Missouri;

36 (6) To employ or enter into contracts for the employment of any person, firm, or
37 corporation, and for professional services, necessary or desirable for the accomplishment of
38 the corporate objects of the district or the proper administration, management, protection or
39 control of its property;

40 (7) To maintain the hospital for the benefit of the inhabitants of the area comprising
41 the district who are sick, injured, or maimed regardless of race, creed or color, and to adopt
42 such reasonable rules and regulations as may be necessary to render the use of the hospital of
43 the greatest benefit to the greatest number; to exclude from the use of the hospital all persons
44 who willfully disregard any of the rules and regulations so established; to extend the
45 privileges and use of the hospital to persons residing outside the area of the district upon such
46 terms and conditions as the board of directors prescribes by its rules and regulations;

47 (8) To police its property and to exercise police powers in respect thereto or in respect
48 to the enforcement of any rule or regulation provided by the ordinances of the district and to
49 employ and commission police officers and other qualified persons to enforce the same;

50 (9) To lease to or allow for any institution of higher education to use or occupy the
51 hospital, any real estate or facility owned or leased by the district or any part thereof for the
52 purpose of health care-related and general education or training.

53 2. The use of any hospital or hospital facility of a district shall be subject to the
54 reasonable regulation and control of the district and upon such reasonable terms and
55 conditions as shall be established by its board of directors.

56 3. A regulatory ordinance of a district adopted under any provision of this section
57 may provide for a suspension or revocation of any rights or privileges within the control of
58 the district for a violation of any such regulatory ordinance.

59 4. Nothing in this section or in other provisions of this chapter shall be construed to
60 authorize the district or board to establish or enforce any regulation or rule in respect to
61 hospitalization or the operation or maintenance of such hospital or any hospital facilities
62 within its jurisdiction which is in conflict with any federal or state law or regulation
63 applicable to the same subject matter.

**206.158. 1. The board of directors of any hospital district authorized under
2 subsection 2 of this section, and established and organized under the provisions of this
3 chapter:**

4 **(1) May invest up to fifty percent of its "available funds", defined in this section
5 as funds not required for immediate disbursement in obligations or for the operation of
6 the hospital district, into:**

7 **(a) Any mutual funds that invest in stocks, bonds, or real estate, or any
8 combination thereof;**

9 **(b) Bonds that have:**

10 **a. One of the five highest long-term ratings or the highest short-term rating
11 issued by a nationally recognized rating agency; and**

12 **b. A final maturity of ten years or less;**

13 **(c) Money market investments; or**

14 **(d) Any combination of investments described in paragraphs (a) to (c) of this
15 subdivision; and**

16 **(2) Shall invest the remaining percentage of any available funds not invested as
17 allowed under subdivision (1) of this subsection into any investment in which the state
18 treasurer is allowed to invest.**

19 **2. The provisions of this section shall apply only if the hospital district receives
20 less than three percent of its annual revenues from hospital district or state taxes.**

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