

SENATE BILL No. 151

AN ACT concerning county and district hospitals; amending K.S.A. 19-4601, 19-4608, 80-2501 and 80-2518 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 19-4601 is hereby amended to read as follows: 19-4601. As used in this act:

(a) “Board” means a hospital board which is selected in accordance with the provisions of this act and which is vested with the management and control of a county hospital;

(b) “commission” means the board of county commissioners of any county;

(c) “hospital” means a medical care facility as defined in K.S.A. 65-425 and amendments thereto and includes within its meaning any clinic, school of nursing, long-term care facility, limited care residential facility ~~and~~, child-care facility *and joint enterprises for the provision of health care services* operated in connection with the operation of the medical care facility;

(d) “hospital moneys” means, but is not limited to, moneys acquired through the issuance of bonds, the levy of taxes, the receipt of grants, donations, gifts, bequests, interest earned on investments authorized by this act and state or federal aid and from fees and charges for use of and services provided by the hospital;

(e) ~~As used in this section, a~~ “limited care residential facility” means a facility, other than an adult care home, in which there are separate apartment-style living areas, bedrooms, bathrooms and individual utilities and in which some health related services are available;

(f) “*joint enterprises*” means a business undertaking by a hospital and one or more public or private entities for the provision of health care services.

Sec. 2. K.S.A. 19-4608 is hereby amended to read as follows: 19-4608. (a) All hospital moneys, except moneys acquired through the issuance of revenue bonds, shall be paid to the treasurer of the board, shall be allocated to and accounted for in separate funds or accounts of the hospital, and shall be paid out only upon claims and warrants or warrant checks as provided in K.S.A. 10-801 to 10-806, inclusive, and K.S.A. 12-105a and 12-105b, and amendments to these statutes. The board may designate a person or persons to sign such claims and warrants or warrant checks.

(b) The board may accept any grants, donations, bequests or gifts to be used for hospital purposes and may accept federal and state aid. Such moneys shall be used in accordance with the terms of the grant, donation, bequest, gift or aid and if no terms are imposed in connection therewith such moneys may be used to provide additional funds for any improvement for which bonds have been issued or taxes levied.

(c) Hospital moneys shall be deemed public moneys and hospital moneys not immediately required for the purposes for which acquired may be invested in accordance with the provisions of K.S.A. 12-1675 and amendments thereto. Hospital moneys acquired through the receipt of grants, donations, bequests or gifts and deposited pursuant to the provisions of K.S.A. 12-1675 and amendments thereto need not be secured as required under K.S.A. 9-1402 and amendments thereto. *In addition, hospital moneys may be invested in joint enterprises for the provision of health care services as permitted by subsection (c) of K.S.A. 19-4601 and amendments thereto.*

(d) Hospital moneys which are deposited to the credit of funds and accounts which are not restricted to expenditure for specified purposes may be transferred to the general fund of the hospital and used for operation of the hospital or to a special fund for additional equipment and capital improvements for the hospital.

(e) The board shall keep and maintain complete financial records in a form consistent with generally accepted accounting principles, and such records shall be available for public inspection at any reasonable time.

(f) Notwithstanding subsections (a) to (e), inclusive, the board may transfer any moneys or property a hospital receives by donation, contribution, gift, devise or bequest to a Kansas not-for-profit corporation which meets each of the following requirements:

(1) The corporation is exempt from federal income taxation under

the provisions of section 501(a) by reason of section 501(c)(3) of the internal revenue code of 1954, as amended;

(2) the corporation has been determined not to be a private foundation within the meaning of section 509(a)(1) of the internal revenue code of 1954, as amended; and

(3) the corporation has been organized for the purpose of the charitable support of health care, hospital and related services, including the support of ambulance, emergency medical care, first responder systems, medical and hospital staff recruitment, health education and training of the public and other related purposes.

(g) The board may transfer gifts under subsection (f) in such amounts and subject to such terms, conditions, restrictions and limitations as the board determines but only if the terms of the gift do not otherwise restrict the transfer. Before making any such transfer, the board shall determine that the amount of money or the property to be transferred is not required by the hospital to maintain its operations and meet its obligations. In addition, the board shall determine that the transfer is in the best interests of the hospital and the residents within the county the hospital has been organized to serve.

Sec. 3. K.S.A. 80-2501 is hereby amended to read as follows: 80-2501. As used in this act:

(a) “Board” means a hospital board which is selected in accordance with the provisions of this act and which is vested with the management and control of an existing hospital or a hospital established under the provisions of this act;

(b) “hospital” means a medical care facility as defined in K.S.A. 65-425 and amendments thereto and includes within its meaning any clinic, long-term care facility, limited care residential retirement facility, child-care facility ~~and~~, emergency medical or ambulance service operated in connection with the operation of the medical care facility *and joint enterprises for the provision of health care services operated in connection with the operation of the medical care facility*;

(c) “hospital moneys” means, but is not limited to, moneys acquired through the issuance of bonds, the levy of taxes, the receipt of grants, donations, gifts, bequests, interest earned on investments authorized by this act and state or federal aid and from fees and charges for use of and services provided by the hospital;

(d) “existing hospital” means a hospital established under the provisions of article 21 of chapter 80 of Kansas Statutes Annotated and acts amendatory of the provisions thereof or supplemental thereto prior to the effective date of this act and being maintained and operated on the effective date of this act;

(e) “political subdivision” means a township, a city or a hospital district established under the provisions of article 21 of chapter 80 of Kansas Statutes Annotated and acts amendatory of the provisions thereof or supplemental thereto prior to the effective date of this act or established under this act;

(f) “qualified elector” means any person who has been a bona fide resident within the territory included in the taxing district of a hospital for 30 days prior to the date of any annual meeting or election provided for in this act and who possesses the qualifications of an elector provided for in the laws governing general elections;

(g) As used in this section, a “limited care residential retirement facility” means a facility, other than an adult care home, in which there are separate apartment-style living areas, bedrooms, bathrooms and individual utilities; which facility is available only to individuals 55 years of age or older; and which facility has at least the following characteristics: (1) A common recreational and dining area; (2) planned recreation and social gatherings; (3) laundry facilities or services and housecleaning services; (4) special dietary programs providing at least one meal per day; (5) organized wellness programs; (6) a 24-hour emergency call system in each unit staffed by the hospital district; (7) a nursing staff from the hospital district on 24-hour call for residents; and (8) availability of additional health related services, laundry services, housekeeping, means for individuals with special or additional needs;

(h) “joint enterprise” means a business undertaking by a hospital and

one or more public or private entities for the provision of health care services.

Sec. 4. K.S.A. 80-2518 is hereby amended to read as follows: 80-2518. (a) All hospital moneys, except moneys acquired through the issuance of revenue bonds, shall be paid to the treasurer of the board, shall be allocated to and accounted for in separate funds or accounts of the hospital, and shall be paid out only upon claims and warrants or warrant checks as provided in K.S.A. 10-801 to 10-806, inclusive, and K.S.A. 12-105a and 12-105b, and amendments to these statutes. The board may designate a person or persons to sign such claims and warrants or warrant checks.

(b) The board may accept any grants, donations, bequests or gifts to be used for hospital purposes and may accept federal and state aid. Such moneys shall be used in accordance with the terms of the grant, donation, bequest, gift or aid and if no terms are imposed in connection therewith such moneys may be used to provide additional funds for any improvement for which bonds have been issued or taxes levied.

(c) Hospital moneys shall be deemed public moneys and hospital moneys not immediately required for the purposes for which acquired may be invested in accordance with the provisions of K.S.A. 12-1675 and amendments thereto. Hospital moneys acquired through the receipt of grants, donations, bequests or gifts and deposited pursuant to the provisions of K.S.A. 12-1675 and amendments thereto need not be secured as required under K.S.A. 9-1402 and amendments thereto. *In addition, hospital moneys may be invested in joint enterprises for the provision of health care services as permitted by subsection (b) of K.S.A. 80-2501 and amendments thereto.*

(d) Hospital moneys which are deposited to the credit of funds and accounts which are not restricted to expenditure for specified purposes may be transferred to the general fund of the hospital and used for operation of the hospital or to a special fund for additional equipment and capital improvements for the hospital.

(e) The board shall keep and maintain complete financial records in a form consistent with generally accepted accounting principles, and such records shall be available for public inspection at any reasonable time.

(f) Notwithstanding subsections (a) to (e), inclusive, the board may transfer any moneys or property a hospital receives by donation, contribution, gift, devise or bequest to a Kansas not-for-profit corporation which meets each of the following requirements:

(1) The corporation is exempt from federal income taxation under the provisions of section 501(a) by reason of section 501(c)(3) of the internal revenue code of 1954, as amended;

(2) the corporation has been determined not to be a private foundation within the meaning of section 509(a)(1) of the internal revenue code of 1954, as amended; and

(3) the corporation has been organized for the purpose of the charitable support of health care, hospital and related services, including the support of ambulance, emergency medical care, first responder systems, medical and hospital staff recruitment, health education and training of the public and other related purposes.

(g) The board may transfer gifts under subsection (f) in such amounts and subject to such terms, conditions, restrictions and limitations as the board determines but only if the terms of the gift do not otherwise restrict such transfer. Before making any such transfer, the board shall determine that the amount of money or the property to be transferred is not required by the hospital to maintain its operations and meet its obligations. In addition, the board shall determine that the transfer is in the best interests of the hospital and the residents within the district the hospital has been organized to serve.

Sec. 5. K.S.A. 19-4601, 19-4608, 80-2501 and 80-2518 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.