

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 556*

Short Title: Cabarrus Hospital Charter. (Local)

Sponsors: Representatives Johnson, Barnhart (Primary Sponsors); and Steen.

Referred to: Health, if favorable, Judiciary III.

March 12, 2007

A BILL TO BE ENTITLED

AN ACT TO RESTATE THE CHARTER OF CABARRUS MEMORIAL HOSPITAL.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 307, Public-Local Laws of 1935, as amended by Chapter 421, Public-Local Laws of 1935, Chapter 45 of the Session Laws of 1951, Chapter 1154 of the 1977 Session Laws, Chapter 277 of the 1981 Session Laws, Chapter 947 of the Session Laws of 1987, Chapter 602 of the 1989 Session Laws, Chapter 982 of the 1989 Session Laws, S.L. 1998-204, and S.L. 2004-67, reads as rewritten:

"Section 1. That the Board of County Commissioners of Cabarrus County, North Carolina, by a majority vote of said Board, or upon the petition of two hundred voters of said county, shall, after thirty days notice at the courthouse door and publication in one or more newspapers in said county for thirty days, order an election to be held to determine the will of the people of said county whether there shall be issued and sold bonds to an amount not to exceed one hundred thousand dollars (\$100,000), to bear interest at not exceeding six per cent per annum, and to be payable, both principal and interest, when and where they may decide, and to levy a tax of not exceeding two cents on the one hundred dollar valuation of property, the proceeds of sale of said bonds to be issued to be used in securing lands and erecting or altering buildings and equipping same to be used as a public hospital for said county, and said tax to be levied to pay the interest on said bonds, and to provide a sinking fund therefor to pay said bonds at maturity. The said Board of County Commissioners shall also levy a tax not to exceed two cents on the one hundred dollar valuation of property for the maintenance and upkeep of said hospital. If the majority of the qualified voters at said election shall vote in favor of the issuing of said bonds and the levying of said tax, then said bonds, or such part thereof as the said Board of County Commissioners may determine, shall be issued and sold by said Board. Said tax, or such part thereof as shall be required, shall be levied. The hospital so erected from the sale of said bonds in addition to other

1 hospitalization funds from other sources shall be known as the "Cabarrus Memorial
2 Hospital."

3 "Sec. 2. That at said election, those voters favoring the issuing and sale of bonds and
4 levying of the tax aforesaid shall vote a written or printed ballot, "For Cabarrus
5 Memorial Hospital," and those opposed shall vote a written or printed ballot, "Against
6 Cabarrus Memorial Hospital," and for said election, the County Commissioners shall
7 order a new registration, such registration to be used only for said special election to be
8 governed by the laws of the State, and for said election, the County Commissioners
9 shall appoint registrars and judges of election, and fix a date for making returns of
10 election, at which date, the County Commissioners shall meet and canvass the returns of
11 said election, and declare and record the result of said election. If a majority of the
12 qualified voters shall fail to approve the issuing of said bonds and the levy of said tax at
13 the first election held as above provided, then the County Commissioners may order
14 another election for the same purpose and in the same manner: Provided, said second
15 election shall not be held in the same year as said first election.

16 "Sec. 3. If a majority of the qualified voters shall vote "For Cabarrus Memorial
17 Hospital," at any election held under this Act, then the County Commissioners shall
18 issue and sell bonds authorized by said election for not less than par, and shall pay over
19 the proceeds arising therefrom to the Treasurer of Cabarrus County, who shall pay out
20 the same under the orders of the executive committee of the hospital hereinafter
21 provided for, said executive committee being authorized to use and expend said fund in
22 the purchase of necessary site, which said site shall be central and convenient, and in the
23 erection and equipment of the necessary building or buildings for said county hospital,
24 and the taxes which may be levied and collected under this Act shall also be paid to the
25 Treasurer of Cabarrus County, and by said Treasurer kept in two separate accounts, one
26 of said accounts being the hospital interest and sinking fund, and the other account the
27 hospital maintenance fund, and from said taxes the said Treasurer shall set apart to the
28 hospital interest and sinking fund such part thereof as shall be required to pay interest
29 on the bonds and to provide the necessary sinking fund for the payment of said bonds,
30 and the said Treasurer is authorized to lend only upon satisfactory security, approved by
31 the Local Government Commission, the accumulations of said sinking fund from time
32 to time for the best interest obtainable, and until said sinking fund is required for the
33 purpose of paying off the said bonds, and said Treasurer, out of said hospital interest
34 and sinking fund, shall pay the interest on said bonds and the bonds at maturity, but the
35 said Treasurer shall not be required to begin with the creation of a sinking fund for the
36 retirement of said bonds before two years from the date of issuing same. The said
37 Treasurer shall pay out the moneys set apart to the hospital maintenance fund upon the
38 order of the executive committee of the hospital, and it shall be the duty of the Board of
39 Commissioners of Cabarrus County to annually levy and collect as other taxes a special
40 tax not exceeding the limit provided by this Act, sufficient to pay the interest on said
41 bonds, and to provide the necessary sinking fund for the payment of same, and also to
42 afford the necessary maintenance fund as herein provided.

43 "Sec. 4. The bonds issued under the provisions of this Act shall mature in not
44 exceeding thirty years from date, and shall be in such denominations as the County

1 Commissioners shall determine, and shall draw interest at a rate not exceeding six per
2 cent annually, or semi-annually, and said bonds shall be serial bonds, maturing in such
3 amounts as may be determined by the County Commissioners. The first installment
4 shall fall due not later than five years from date of issue of said bonds, and the last
5 installment falling due not later than thirty years from date of said issue.

6 "Sec. 5. Should a majority of the qualified voters of Cabarrus County, under any
7 election held under this Act, vote "For Cabarrus Memorial Hospital," then the County
8 Commissioners shall at once appoint a Board of Trustees, one trustee to come from each
9 and every voting precinct in the county. Said Board of Trustees shall be divided into
10 three groups, the members of the first group being appointed for two years, the members
11 of the second group being appointed for three years, the members of the third group
12 being appointed for four years. Upon the first meeting of the Board of Trustees, which
13 shall not be less than ten days from the date of appointment, the said Board shall
14 appoint an executive committee composed of seven members from the trustees, all
15 residents of the county. The Cabarrus County Medical Society and the Medical Staff of
16 the hospital may each nominate for appointment by the Board of Trustees two
17 practicing physicians to serve as honorary and advisory members of said executive
18 committee; such advisory members shall serve without voting power. Said executive
19 committee shall be divided into three groups, the members of the first group being
20 appointed for one year, the members of the second group being appointed for two years,
21 and the members of the third group being appointed for three years. In case of any
22 vacancy for any cause on the executive committee, except for expiration of term of
23 appointment, the executive committee shall of its own motion fill the unexpired term. In
24 case of vacancy on the Board of Trustees for any cause, including the creation of a new
25 voting precinct in the county in which a member does not reside and the expiration of
26 terms of all members, the said Board shall fill the vacancy by electing a new member
27 who resides within the newly created voting precinct or from the same voting precinct
28 as that of the retired member. In the event two or more voting precincts should be
29 consolidated, the appointment of all members residing within the new voting precinct
30 shall thereupon terminate and the Board of Trustees shall appoint a member from the
31 newly created voting precinct. The Board of Trustees shall appoint members of the
32 executive ~~committee~~ committee upon the expiration of their terms of office.

33 "Sec. 6. The said executive committee shall within ten days after their appointment
34 or election, qualify by taking the oath of civil officers and organize as an executive
35 committee by the election of one of their number as chairman, one as secretary, and by
36 the election of such other officers as they may deem necessary, but no bond shall be
37 required of them. No member shall receive any compensation for his services
38 performed, but he may receive reimbursement for any cash expenditures actually made
39 for personal expenses incurred as such member, and an itemized statement of such
40 expenses and money paid out shall be made under oath by each of such members and
41 filed with the Secretary and allowed only by the affirmative vote of all the members
42 present at a meeting of the executive committee. The executive committee shall make
43 and adopt such by-laws, rules and regulation for their own guidance and for the
44 government of the hospital as may be deemed ~~expedient~~ expedient for the economic

1 and equitable conduct thereof, not inconsistent with this Act, and the ordinances of the
2 city or town wherein such public hospital is located. They shall have the exclusive
3 control of the expenditure of all moneys collected to the credit of the hospital fund, and
4 the purchase of site or sites, the purchase or construction of any hospital building or
5 buildings, and of the supervision, care and custody of the grounds, rooms or buildings
6 purchased, constructed, leased, or set apart for that purpose: Provided that all moneys
7 received for the credit of such hospital shall be deposited in a special fund for the
8 hospital and shall be paid out only upon warrants or checks drawn by a proper officer
9 designated by the executive committee upon due authorization of such committee. Said
10 executive committee shall have the power to appoint a chief executive officer and
11 necessary assistants, and to fix their compensation and shall in general carry out the
12 spirit and intent of this act in establishing and maintaining a county general acute care
13 hospital. Such committee shall hold meetings at least once each month, shall keep a
14 complete record of all its proceedings, and four members of such committee shall
15 constitute a quorum for the transaction of business. One of said members shall visit and
16 examine said hospital at least twice each month, and the committee shall during the first
17 week in January of each year file with the Board of Commissioners of said county a
18 report of their proceedings with reference to such hospital, and a statement of all
19 receipts and expenditure during the year, and shall at such time certify to the Board of
20 County Commissioners the amount necessary to maintain and improve such hospital for
21 the ensuing year. No member shall have a personal pecuniary interest, either directly or
22 indirectly, and the purchase of any supplies for said hospital, unless the same are
23 purchased by competitive bidding. Provided, that such hospital may render care and
24 services to members of the Board of Trustees and to companies in which such members
25 may have an interest on those terms and conditions as such care and services are
26 otherwise made available.

27 "Sec. 7. The hospital established under this Act shall be for the benefit of the
28 inhabitants of Cabarrus County, and of any person falling sick or being injured or
29 maimed within its limits; but every inhabitant or person who is not a pauper shall pay to
30 such executive committee or such officers as it shall designate for such county public
31 hospital a reasonable compensation for occupancy, nursing, care, medicine, and/or
32 attendance, according to the rules and regulations prescribed by said executive
33 committee, such hospital always being subject to such reasonable rules and regulations
34 as said committee may adopt in order to render the use of said hospital of the greatest
35 benefit to the greatest number; and said executive committee may exclude from the use
36 of such hospital any and all inhabitants and persons who shall willfully violate such
37 rules and regulations; and said committee may extend the privileges and use of such
38 hospital to persons residing outside of Cabarrus County upon such terms and conditions
39 as said executive committee may from time to time by its rules and regulations
40 prescribe.

41 "Sec. 8. When such hospital is established, the physicians, nurses, attendants, the
42 person sick therein, and all persons approaching or coming within the limits of same,
43 and all furniture and other articles used or brought there, shall be subject to such rules
44 and regulations as said executive committee may prescribe.

1 "Sec. 9. That "Cabarrus Memorial Hospital" is hereby declared to be a body
2 corporate, with power to receive and hold gifts, grants, and devices of real and personal
3 property, to sue and be sued, and to do any and all lawful acts necessary to carry out the
4 objects of its creation, and shall possess all other rights and powers usually incident to
5 corporations. Such rights and powers shall include, without limitation, the authority to
6 sell real and personal property; to establish additional locations to render medical
7 services; to establish trusts or foundations to administer hospital funds; to retain
8 securities donated to such hospital notwithstanding the provisions of Chapter 159 of the
9 General Statutes relating to permissible investments; and to enter into private long term
10 leases or subleases of hospital owned or leased real property for periods not exceeding
11 10 years without notice or other compliance with Chapter 160A of the General Statutes.
12 ~~Cabarrus Memorial Hospital may use a single prime contractor contract, a construction~~
13 ~~management contract, or a design build contract for the erection, construction,~~
14 ~~alteration, or repair of any building at any of its facilities. The previous sentence shall~~
15 ~~apply only to contracts entered into on or before July 1, 1992.~~

16 "Sec. 10. The executive committee of such hospital shall determine the conditions
17 under which the privileges of practice may be available and shall promulgate rules and
18 regulations governing the conduct of such practice at said hospital.

19 "Sec. 11. Notwithstanding G.S. 116-15, the Executive Committee of Cabarrus
20 Memorial Hospital may establish and maintain in connection with and as a part of the
21 hospital an educational program for nursing and allied health sciences. The Executive
22 Committee may award an Associate, Baccalaureate, and advanced degrees to graduates
23 of the nursing education or allied health sciences programs as appropriate.

24 "Sec. 12. The executive committee shall have the power to determine rates to be
25 charged for hospital services, to evaluate and approve or reject claims for charity
26 services and to generally establish collection policies and practices for the hospital.

27 "Sec. 12.1. (a) Notwithstanding anything herein or elsewhere in the laws of this
28 State to the contrary, so long as (i) there are no county bonds issued for the benefit of
29 Cabarrus Memorial Hospital outstanding; (ii) there is no county tax levy for the direct
30 benefit of the hospital; and (iii) the Executive Committee of the hospital operates
31 Cabarrus Memorial Hospital as an acute care general hospital open to the general public
32 free of discrimination based upon race, creed, color, sex or national origin and on a
33 nonprofit basis, the provisions of Chapter 159 of the General Statutes of North Carolina
34 relating to public hospitals, and any other provisions of the General Statutes relating to
35 public hospitals, shall not be applicable to Cabarrus Memorial Hospital and its
36 Executive Committee.

37 (b) As long as the conditions of subsection (a) of this section continue to be
38 satisfied, the Executive Committee of Cabarrus Memorial Hospital may operate
39 Cabarrus Memorial Hospital in the same manner as private nonprofit corporations
40 operate acute care hospitals in this State without the limitations and restrictions
41 applicable to public hospitals under the laws of this State; and that the Executive
42 Committee may provide for the governance of the hospital in such manner as it deems
43 in the best interest of the hospital."

44 **SECTION 2.** This act is effective when it becomes law.