

## CHAPTER 211—S.F.No. 1252

*An act relating to local government; the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment of a medical clinic district; permitting a hospital appropriation by the Cook county board; authorizing the establishment of a Cook county hospital district; adding and removing certain unorganized territory from a St. Louis county hospital district; validating hospital referenda; providing for certain bonded indebtedness of the city of Cook; amending Laws 1988, chapter 645, sections 1, subdivision 1, and by adding a subdivision; and 4.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## Section 1. CREATION OF MEDICAL CLINIC DISTRICT.

Subdivision 1. RESOLUTIONS. Any one or more of the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1 may create a medical clinic district by resolutions adopted by their governing bodies.

No city, town, or unorganized territory shall be included in a medical clinic district created under this section unless its entire territory is included in the district.

Subd. 2. CONTENTS OF RESOLUTION. A resolution under subdivision 1 must state that a medical clinic district is authorized to be created under this act to acquire, improve, and run medical clinic facilities that the medical clinic board decides are necessary and expedient in accordance with this act. The resolution must name the cities, towns, or unorganized territories included in the district. The resolution must be adopted by a two-thirds majority of the governing body acting on it. For the purposes of this act, the Lake county board of commissioners is the governing body of Unorganized Territory No. 1 and the governing body of a town is its town board.

Each resolution adopted by the governing body of a city, town, or unorganized territory must be published in its official newspaper and takes effect 40 days after publication, unless a petition for a referendum on the resolution is filed with the governing body within 40 days. A petition for a referendum must be signed by at least five percent of the number of voters voting at the last general election. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

Subd. 3. FILING RESOLUTIONS. The medical clinic district is created or reorganized on the effective date of the last resolution required to authorize it. Certified copies of each resolution must be sent by the clerk or other recording officer of the governing body adopting it to the Lake county auditor. The county auditor shall file certified copies of the resolutions with the county recorder and the secretary of state to be filed as a public record.

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Subd. 4. CORPORATE POWERS OF DISTRICT. A medical clinic district created under this act is a municipal corporation and political subdivision of the state and has perpetual existence. It may contract and be contracted with and sue and be sued. It may use a corporate seal. It may acquire real and personal property as needed. It may hold, manage, control, sell, convey, or otherwise dispose of the property as its interests require.

Real or personal property that is acquired, owned, leased, controlled, used, or occupied by a district for the purposes of this act is exempt from taxation by the state or its political subdivisions.

## Sec. 2. OFFICERS.

Subdivision 1. TERMS OF OFFICE. The medical clinic district shall be governed by a medical clinic board. The governing body of each city, town, or unorganized territory in the district shall appoint one member to the board. A member's term of office is four years and until a successor is appointed. At the first appointment, however, members must be appointed so that half the terms, as nearly as may be, expire on December 31 of the next even-numbered year and the remaining terms expire two years from that date. After that, before a member's term expires, a new member shall be appointed for a term of four years from the expiration date.

If a member dies, resigns, fails to qualify, or moves from the medical clinic district, a successor shall be appointed to complete the term by the governing body of the city, town, or unorganized territory in which the member lived.

Subd. 2. BOARD MEETINGS. Regular meetings of the board must be held at least once a year, at a time and place the board sets by resolution. Special meetings may be held:

- (1) at any time upon the call of the chair or any two members;
- (2) upon written notice mailed to each member three days before the meeting;
- (3) upon other notice as the board by resolution may provide; or
- (4) without notice if each member is present or files with the clerk a written consent to holding the meeting. The consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned regular meeting or at a duly called special meeting, if a quorum is present. A majority of all the members of the board is a quorum, but a lesser number may meet and adjourn from time to time.

Subd. 3. OFFICERS' ELECTION. At its first regular meeting each year, the board shall elect one of their number as chair. They shall also select a clerk and treasurer who may be members of the board or others. The chair, clerk, and treasurer shall hold office at the pleasure of the board.

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**Subd. 4. OFFICERS' DUTIES.** The chair shall preside at all meetings of the board, sign orders upon the treasurer for claims allowed by the board, and perform all duties usually incumbent upon a presiding officer. The clerk shall record the minutes of all meetings of the board, countersign all orders upon the treasurer, and be the custodian of district books and records. The treasurer shall be the custodian of all money received by the district, and pay out money only on orders signed by the chair and clerk. Each order must state the nature of the claim for which it is issued, the name of the payee, and the fund on which it is drawn. It may be drawn so that when signed by the treasurer in an appropriate place it becomes a check on the depository of funds of the medical clinic district. In case of absence, inability, or refusal of the chair, clerk, or treasurer to execute and disburse orders in payment of a claim allowed by the board, the board may declare any of their offices vacant and fill them by appointment. The board may also appoint a deputy to perform the functions of the officers, subject to the officers' supervision and control.

**Subd. 5. COMPENSATION.** The members of the board shall receive no compensation for performing their board duties, and no reimbursement for mileage or other expenses.

**Subd. 6. LIABILITY FOR DAMAGES.** Except as otherwise provided in this subdivision, no person who serves as a member of the board shall be civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct. This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

### Sec. 3. POWERS.

**Subdivision 1. BROAD POWERS OF DISTRICT.** The medical clinic district has the powers necessary and convenient to acquire, improve, and run the medical clinic facilities as the medical clinic board finds expedient. It may take any lawful action necessary or convenient to further the purpose for which the district exists.

**Subd. 2. SPECIFIC POWERS.** The district, acting through its medical clinic board, may:

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- (1) employ personnel necessary to maintain the clinic district property;
- (2) lease, purchase, or construct, equip, furnish, and maintain necessary buildings and grounds;
- (3) accept gifts;
- (4) adopt rules for the operation and administration of the medical clinic facilities under its control;
- (5) impose by resolution, and collect, charges for services and facilities provided and made available by it;
- (6) levy taxes as provided in section 4;
- (7) buy liability insurance for the district or its officers and employees or both, for torts committed within the scope of their official duties, whether governmental or proprietary, and against damage to or destruction of any of its facilities, equipment, or other property;
- (8) sell or lease its facilities or equipment as it finds expedient; and
- (9) have its accounts, books, vouchers, and funds audited by competent public accountants.

#### Sec. 4. PAYMENT OF EXPENSES; TAXATION.

Subdivision 1. EXPENSES PAID FROM REVENUE, TAXES, AND APPROPRIATIONS; TAX LIMITS. Expenses of acquiring, improving, and running medical clinic facilities operated by the medical clinic district, and expenses of organization and administration of the district and of planning and financing the facilities, must be paid from the revenues derived from them, and to the extent necessary, from property taxes levied by the medical clinic board on all taxable property within the district. Taxes levied by the board in any year may not exceed \$30,000.

Subd. 2. DETERMINING AND CERTIFYING TAX AMOUNT. On or before October 10 of each year, the medical clinic board shall determine the amount necessary to be raised from property tax levies to meet its expenses. No later than October 10, the secretary of the board shall certify that amount to the Lake county auditor.

Subd. 3. TAX COLLECTION AND SETTLEMENT. The county auditor shall add the amount of any levy so determined to the other tax levies on property located in the medical clinic district, for collection by the county treasurer with other taxes. When collected, the county treasurer shall settle the taxes with the treasurer of the medical clinic district in the same way as other taxes.

#### Sec. 5. COORDINATION WITH LEVY LIMITS.

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Notwithstanding any other law to the contrary, the amount of tax extended pursuant to section 4, subdivision 3, in any city or township subject to levy limits pursuant to Minnesota Statutes, section 275.51, shall be deducted from each city's or township's levy limit pursuant to section 275.51. The department of revenue is authorized to estimate the deduction when determining each city's or township's levy limit. The department of revenue will adjust the city's or township's levy limit in the subsequent year for any difference between the estimate and the actual tax extended pursuant to section 4, subdivision 3.

#### Sec. 6. DISSOLUTION: DETACHMENT OF TERRITORY.

Subdivision 1. DISSOLUTION; PETITION; BOARD'S ORDER. The medical clinic district may be dissolved upon a petition to the medical clinic district board. The petition must state the grounds for dissolution, be signed by an authorized officer of the governing body of any city, town, or unorganized territory included in the medical clinic district pursuant to a resolution of the governing body, and contain a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions. Except as otherwise provided, a proceeding for dissolution is governed by the provisions relating to proceedings for the organization of a district, so far as applicable. If the board determines that the conditions for the creation of the district no longer exist, and that all property of the district except money has been disposed of, it may make an order dissolving the district and directing the distribution of any money among the governmental subdivisions on a basis the board determines to be just and equitable, to be specified in the order. Certified copies of the order for dissolution must be transmitted and filed as provided for an order creating a district. The clerk of the board shall also transmit a certified copy of the order to the treasurer of the district. The treasurer shall then distribute the money as directed by the order, and is responsible for it until distributed.

Subd. 2. DETACHMENT OF CITY, TOWN, OR UNORGANIZED TERRITORY; SAME PROCEDURE. A city, town, or unorganized territory included in the medical clinic district may withdraw from it by, as far as practical, the procedure provided for dissolution of the district. The consent of the other members is not required.

#### Sec. 7. COOK COUNTY; HOSPITAL APPROPRIATION.

Notwithstanding the limitations of Minnesota Statutes, section 376.08, the board of commissioners of Cook county may appropriate up to \$240,000 from the proceeds of the 1988 general county levy for taxes payable in 1989 for the cost of acquiring, constructing, improving, altering, equipping, maintaining, and operating hospitals within the county.

#### Sec. 8. COOK COUNTY; HOSPITAL DISTRICT.

Subdivision 1. CREATION; REFERENDUM. The board of commissioners of Cook county may by resolution create a Cook county hospital district. The resolution providing for creation of the district must be published in the official newspaper of the county. If within ten days after the publication a petition is filed with the county board that is signed by qualified voters of the

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county at least equal in number to ten percent of the number of voters voting at the most recent election of county commissioners, requesting a referendum on the resolution, it shall not be effective until it is approved by a majority of qualified voters voting on the question at a special or general election.

Subd. 2. OPERATION OF DISTRICT. A hospital district created under this section shall be subject to Minnesota Statutes, sections 397.06 to 397.102, except as provided otherwise in this act.

Subd. 3. BOARD. Notwithstanding Minnesota Statutes, section 397.06, the board of the district shall be comprised of one member from each county commissioner district elected by the voters at the first general election in the county after the resolution has become effective. After the 1992 general election, the term of each board member shall be four years or until a successor has been elected and qualified. Terms shall begin on the first day of January following the election. If members are elected in 1990, their terms shall be two years.

When the district is first created, the county commissioner from each district shall appoint a member of the board to serve until the commencement of the term of a successor. Thereafter when a vacancy occurs, the county commissioner from the district affected shall appoint a member to serve until January 1 following the next general election in the county, when a successor shall be elected for a regular term or the unexpired remainder of the regular term.

Subd. 4. TAX LEVY. The tax levied under Minnesota Statutes, section 397.09, shall not exceed \$300,000 in any year, and its proceeds may be used for all purposes of the hospital district.

Sec. 9. Laws 1988, chapter 645, section 1, subdivision 1, is amended to read:

Subdivision 1. **ST. LOUIS COUNTY.** The St. Louis county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to a hospital district to be organized under Minnesota Statutes, sections 447.31 to 447.37, that includes the city of Cook and the city of Orr as well as other townships in Koochiching county and St. Louis county. The unorganized townships are: 61 North, Range 17 West; 62 North, Range 21 West; 63 North, Range 21 West; 63 North, Range 19 West; 64 North, Range 21 West; ~~64 North, Range 18 West;~~ 65 North, Range 21 West; 66 North, Range 21 West; 66 North, Range 20 West; 66 North, Range 19 West; 67 North, Range 21 West; 67 North, Range 20 West; 67 North, Range 19 West; 67 North, Range 18 West; 67 North, Range 17 West; 68 North, Range 21 West; 68 North, Range 20 West; 68 North, Range 19 West; 68 North, Range 18 West; 68 North, Range 17 West; 69 North, Range 21 West; 69 North, Range 20 West; 69 North, Range 19 West; 69 North, Range 18 West; 69 North, Range 17 West; 70 North, Range 21 West; 70 North, Range 20 West; 70 North, Range 19 West; 70 North, Range 18 West; 71 North, Range 21 West; ~~and 71 North, Range 20 West;~~ 62 North, Range 17 West; 63 North, Range 17 West; 64 North, Range 17 West;

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64 North, Range 16 West; 65 North, Range 16 West; 66 North, Range 16 West; and 67 North, Range 16 West.

Sec. 10. Laws 1988, chapter 645, section 1, is amended by adding a subdivision to read:

Subd. 5. PRIOR REFERENDUM. A referendum held under Minnesota Statutes, section 447.31, subdivision 3, is valid notwithstanding a subsequent amendment to Laws 1988, chapter 645.

Sec. 11. Laws 1988, chapter 645, section 4, is amended to read:

**Sec. 4. TRANSFER OF FACILITIES OF CITY OF COOK.**

The city of Cook may transfer title and interest in its hospital and nursing home, including the real estate, building, and equipment, to the hospital district created under this act for no consideration. All bonded obligations incurred prior to the transfer in connection with the construction or operation of the hospital and nursing home shall remain as the exclusive obligation of the city of Cook.

Sec. 12. **EFFECTIVE DATE.**

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this act takes effect the day after final enactment.

Presented to the governor May 19, 1989

Signed by the governor May 19, 1989, 11:25 p.m.

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**CHAPTER 212—H.F.No. 1432**

*An act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633.*

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

Section 1. Minnesota Statutes 1988, section 222.631, is amended by adding a subdivision to read:

Subd. 6. NONRAILROAD LESSOR. "Nonrailroad lessor" means one who has granted to a lessee an interest in property within a right-of-way and who is neither (1) an operator of a railroad on the right-of-way, nor (2) an owner of a controlling interest in or under common control with a railroad that operates on the right-of-way.

Sec. 2. Minnesota Statutes 1988, section 222.632, is amended to read:

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