



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Hospitals

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Hospitals

Private Acts of 1947 Chapter 846

SECTION 1. That the County of Bradley, in the State of Tennessee, by and through its Quarterly Court, upon the approval of a majority of the qualified voters of said County, as of the last general election, be and the same is hereby authorized to issue not to exceed Four Hundred Thousand (\$400,000.00) Dollars coupon bonds, maturing not later than thirty (30) years from date, bearing interest at the rate of not to exceed three and one-half (3½%) per cent per annum, payable semi-annually, for the purpose of acquiring a necessary site or location for a hospital, and for equipping said hospital to be built in or near Cleveland, in Bradley County, Tennessee, provided, that the County Election Commissioners shall have held an election in the County, properly advertised as hereinafter provided, to ascertain the will of the people as to the issuing and selling of said bonds, and that a majority of the votes cast favor the issuance and sale of said bonds.

SECTION 2. That said bonds shall be denominated "Bradley County Hospital Bonds", and these shall be in the denomination of not more than One Thousand (\$1,000.00) Dollars each and be signed by the County Clerk of said County, and countersigned by the Chairman of the County Court for said County, and have the County Seal affixed thereto, and be numbered in the order of the issuance.

Said bonds, when issued in conformity with this Act, shall be direct general obligations of Bradley County, for the payment of which, with interest, well and truly to be made the full faith and credit and all the taxing power of the County shall be irrevocably pledged; and said bonds shall recite in their face, in addition to other recitals, that all things necessary to happen, to exist and to be performed have happened, do exist and have been performed agreeable to this Act and to the Constitution and general laws of the State. Said bonds, when issued, shall not be subject to taxation by the State of Tennessee or by any County or Municipality thereof.

SECTION 3. That said bonds shall be sold by the County Judge of the Bradley County Court, in conjunction with the Chairman of the Board of Directors of the said hospital, for the best price obtainable, at public sale, after advertising in a reputable financial journal.

SECTION 4. That the Board of Directors of said hospital shall have the right to determine the location at which the hospital building shall be built and the kind and character thereof, and it shall be the duty of the said Hospital Board of Directors to notify the County Court its decision in the matter of such location, which shall be final as to the location of said hospital, together with the approximate cost of the erection of said building, and it shall then be the duty of the County Court to order the sale and issuance of bonds for such purpose not to exceed Four Hundred Thousand (\$400,000.00) Dollars as herein provided.

SECTION 5. That the proceeds of the sale of said funds be paid over direct to the County Trustee, and he shall keep said funds separate from all other funds.

SECTION 6. That the proceeds of the sale of said bonds shall be used in the purchase of the necessary site, erection, construction, and equipment of such hospital building, so determined and located by the Board of Directors of said hospital and to improve the grounds thereon.

SECTION 7. That the said Board of Directors shall have full charge of the expenditures of said funds, arising from the sale of the bonds as herein provided, and said Directors shall secure plans and specifications and advertise for sealed bids, and shall give contract for the erection of said building to the lowest responsible bidder; said Board of Directors shall have the right to reject any and all bids and re-advertise.

SECTION 8. That it shall be the duty of the Quarterly County Court of Bradley County annually to levy and provide for the collection of a sufficient tax on all the taxable property in the County, over and above all other taxes authorized and limited by law, for the purpose of creating a sinking fund to pay the interest on said bonds as the same falls due and to retire said bonds as they mature.

SECTION 9. That all money shall be paid by the Trustee of said County, on warrants signed by the Chairman and Secretary of the Board of Hospital Directors of said hospital, and countersigned by the County Judge of Bradley County.

SECTION 10. That it shall be the duty of the County Election Commissioners of Bradley County, Tennessee, to call and hold an election at a date fixed by them after a petition has been signed by them requesting said election by at least fifty (50) qualified voters of Bradley County, Tennessee, and in the event the bond issue fails to carry, a new election can be had after 12 months has elapsed, provided, a similar petition has been presented said Election Commissioners asking them to call another election

for the operation of the hospital and the provision of health care services. All property acquired by the board shall be acquired subject to the approval of the county legislative body and shall be held and owned in the same manner as the original property conveyed for establishment of the Bradley County Memorial Hospital under Chapter 846 of the Private Acts of 1947, as subsequently amended. The board shall have the authority to make health care services available through any of the various modalities of care requiring licensure under Title 68, Tennessee Code Annotated, or for which reimbursement may be sought under federal medicare or state medicaid programs. In making such health care services available, the board shall be authorized to construct buildings and other facilities, to purchase equipment and supplies, to enter into contracts or arrangements, and to create subsidiary corporations organized under the Tennessee Nonprofit Corporations Act for the purpose of carrying out the activities permitted hereunder. No real property shall be transferred to another person or entity without the affirmative vote of two-thirds (2/3) of the board of directors. If Bradley County Memorial Hospital is sold or otherwise transferred to a new owner, then the board of directors shall cease to function and the board of directors shall be terminated, such cessation and termination to be effective upon the adoption by the county commission of Bradley County of a resolution declaring that the board of directors has completed all acts necessary to wind up the affairs of Bradley County Memorial Hospital. Upon cessation and termination of the board of directors in accordance with the provisions of this section, the members of the board of directors shall be fully discharged of all of their rights, powers, duties and obligations with regard to Bradley County Memorial Hospital.

As amended by: Private Acts of 1992, Chapter 208
Private Acts of 2007, Chapter 7

SECTION 14. That on the first day of June and January of each and every year hereinafter, such profits or funds that are in the hands of the Board of Directors after retaining such amount as they may deem necessary or advisable for working capital will be delivered over to the Trustee of Bradley County and take his receipt therefor, and said funds will be used to apply on the retirement of the bonds sold under this Act.

As amended by: Private Acts of 1953, Chapter 197

SECTION 15. That should any part of this Act be declared unconstitutional, the remainder thereof shall be valid.

SECTION 16. That all laws and parts of laws in conflict with this Act be, and the same are hereby repealed, and that this Act take effect from and after its passage, the public welfare requiring it.

Passed: March 13, 1947.

COMPILER'S NOTE: The constitutionality of this Act was upheld by the Supreme Court in Carter v. Beeler, 188 Tenn. 838, 219 S.W.2d 195 (1949).

Private Acts of 1953 Chapter 197

SECTION 1. That the Bradley County Memorial Hospital heretofore established under the provisions of Chapter 846 of the Private Acts of 1947 and with State and Federal funds under the provisions of Federal Law known as the "Hill-Burton Act", shall be operated by the Board of Directors, appointed, elected, or chosen under the provisions of said Chapter 846, who shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of said hospital. Said authority and responsibility shall include, but shall not be limited to, the establishment, promulgation and enforcement of rules, regulations, and policies, the upkeep and maintenance of all property, the administration of all financial affairs, the maintenance of separate banking arrangements, the execution of all contracts, the purchase of supplies and equipment, and the employment, supervision, compensation and discharge of all personnel including a Hospital Administrator.

SECTION 2. That the Board of Directors or Trustees of the Bradley County Memorial Hospital shall prepare and submit to the County Judge of Bradley County who shall present the same to the Quarterly County Court, a summary report of the operations of said hospital for each six month period.

SECTION 3. That the Board of Directors shall cause an audit to be made annually of the books and records of said hospital by a Certified Public Accountant and reports of said audit, properly certified, shall be delivered to the County Judge who shall present the same to the Quarterly County Court.

SECTION 4. That the Board of Directors is expressly authorized and directed to equip the Bradley County Memorial Hospital with a fund of working capital out of the moneys available for equipping said hospital in such amount as they may deem necessary and advisable and sufficient to meet the requirements and recommendations of the State and Federal Authorities administering the aid received under the "Hill-Burton Act"; and the Trustee of Bradley County shall pay over to the Board of Directors such working

capital fund upon a warrant drawn in the amount fixed by said Board of Directors, which warrant shall be signed by the Chairman and Secretary of the Board of Hospital Directors and shall be countersigned when presented to him by the County Judge of Bradley County.

SECTION 5. That Section 14, Chapter 846, Private Acts of 1947, is hereby amended to insert after the word "Directors", the words, "after retaining such amount as they may deem necessary or advisable for working capital" so that the same shall provide for the retention of working capital out of such profits or funds that are in the hands of the Board of Directors, before the payment over the excess of such profits and funds over the amount necessary or advisable for operating capital, to the Trustee of Bradley County.

COMPILER'S NOTE: These provisions have been included in the Private Acts of 1947, Chapter 846, published herein on the preceding pages.

SECTION 6. That should any part of this Act be declared unconstitutional, the remainder thereof shall be valid.

SECTION 7. That all laws and parts of laws in conflict with this Act be, and the same are hereby repealed, and that this Act take effect from and after its passage, the public welfare requiring it.

Passed: March 18, 1953.

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