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# Trust Fund to Assist Medically Indigent

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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,

The University of Tennessee  
County Technical Assistance Service  
226 Anne Dallas Dudley Boulevard, Suite 400  
Nashville, Tennessee 37219  
615.532.3555 phone  
615.532.3699 fax  
[www.ctas.tennessee.edu](http://www.ctas.tennessee.edu)

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# Trust Fund to Assist Medically Indigent

## Private Acts of 1983 Chapter 42

**SECTION 1.** In counties of this state having a population of not less than 28,285 and no more than 28,385, according to the Federal Census of 1980 or any subsequent Federal Census, are empowered to create a perpetual trust fund for the purpose of assisting the medically indigent in such counties in paying for their in-patient and out-patient hospital care and ambulance service rendered to them by not-for-profit hospital and ambulance facilities located within such counties.

**SECTION 2.** That such trust fund shall be managed and governed by a board of trustees consisting of nine (9) citizens of the county who shall be appointed as follows:

The County Executive of the county shall recommend to the County Legislative Body for its ratification three (3) trustees; three (3) nominees for the office of trustee shall be recommended to the County Legislative Body by the not-for-profit hospitals and health care facilities operating within such county for ratification by the Legislative Body, and these six (6) shall submit another slate of three (3) trustees to the Legislative Body for ratification and approval.

The term of office of the initial trustees shall be: Three (3) trustees, one each appointed by the three methods set forth above, shall serve for a three-year term. Three (3) trustees appointed in a like manner shall serve for a two-year term. Three (3) trustees appointed in a like manner shall serve for a one-year term. In such [sic] succeeding year, one each in a like manner as set forth above for the original board of trustees whose term of office shall be for three (3) years, and such new trustee shall be subject to the approval and ratification of the Legislative Body of the county. In no event, shall there be more than two (2) trustees from any one magisterial district and not more than two (2) from any one district.

**SECTION 3.** That in the event of death, resignation or disability of a trustee or other inability to continue to serve, and upon notice of such being given to the County Executive by the Board of Trustees, the County Executive shall nominate a person to fill the unexpired vacancy and submit his name to the County Legislative Body for ratification and confirmation.

**SECTION 4.** That the general purpose of such trust fund shall be:

A. To assist the medically indigent in such counties in paying for their in-patient and out-patient hospital care and ambulance services rendered to them for [sic] not-for-profit hospital and ambulance facilities or entities in such counties.

B. Promoting health education in the community by supporting, sponsoring, financing or otherwise assisting in the establishment or carrying out of community health education programs in cooperation or in conjunction with not-for-profit hospitals within such counties and physicians, including without limitation, programs relating to disease, accident and injury prevention, cardiopulmonary resuscitation, first aid and programs and practices in an effort to raise the level or standards of health in such counties.

C. Acquiring or otherwise assisting in providing diagnostic, therapeutic and other medical and related equipment, implements, instruments and aids for the use or for the benefit of the medically indigent of such counties who are in need thereof.

**SECTION 5.** That, in addition to those duties and responsibilities imposed upon fiduciaries by general law, the board of trustees shall be vested with the following responsibilities:

A. To invest the said funds at the highest and best practical return of income.

B. To use said income to carry out the purposes of the fund as heretofore set forth in Section 4.

C. To establish a screening committee to determine the medical indigency of applicants and to recommend payment for their benefit as contemplated herein, provided, however, that the Legislative Body of such counties shall have the right based upon material evidence to reverse a determination of medical indigency by such screening committee.

**SECTION 6.** That the board of trustees in carrying out the duties and responsibilities of the management of said fund shall have the right to expend only the income derived from the principal of said fund. In determining all questions of principal and income, the uniform principal and income act in force in the State of Tennessee shall be controlling. Provided, however, the trustees may encroach upon the principal of the fund when they deem it advisable or necessary by making application to the Legislative Body setting forth the amount of principal desired to be expended and the purpose for such expenditures and upon such request being approved by a three-fourths (3/4) vote of the County Legislative Body.

**SECTION 7.** That the trustees provided for herein shall act without compensation but they are specifically empowered to employ financial advisors and such clerical employees as they deem necessary to carry out the functions and purposes of the fund. The board of trustees is authorized to fix the salaries of such clerical employees and to negotiate the fees of the necessary financial advisors provided for herein.

**SECTION 8.** That the board of trustees shall, on a semi-annual basis, provide the County Legislative Body with a complete financial statement, accurately reflecting the condition of the fund and the investments then made.

**SECTION 9.** That the County Legislative Body or governing body of each county to which this Act applies is authorized and empowered in its discretion to appropriate from the general fund of such counties sums of money as it deems appropriate to constitute the principal of the trust fund herein created and to this end such County Legislative Body may, by resolution transfer to the principal of the trust fund herein created the proceeds of the lease or sale of any property owned by the county as a means of funding, within six (6) months from and after its approval.

**SECTION 10.** That this Act shall have no effect unless the same shall have been approved by two-thirds (2/3) vote of the County Legislative Body of any county to which it may apply within six (6) months from and after its approval by the Chief Executive of this state, or after its otherwise effective date. Its approval or nonapproval shall be proclaimed by the presiding officer of the body having jurisdiction to approve, and shall be certified by him to the Secretary of State.

**SECTION 11.** That this Act shall be effective from and after its passage, the public welfare requiring it, but the provisions thereof shall not become operative until validated as provided in Section 10 herein.

Passed: March 17, 1983.

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