

CHAPTER.....

AN ACT relating to hospital districts; revising provisions relating to the procedure for the dissolution of hospital districts in certain smaller counties; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 450 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

**Sec. 2.** *In a county whose population is less than 400,000:*

*1. Except as otherwise provided in subsection 2, if a majority of the members of the board of county commissioners determine that it is in the best interests of the county and of the hospital district that the hospital district be dissolved, the board of county commissioners shall so determine by ordinance, after there is first found, determined and recited in the ordinance that:*

*(a) All outstanding indebtedness and bonds of all kinds of the hospital district have been paid; and*

*(b) The services of the hospital district are no longer needed or can be more effectively performed by an existing unit of government.*

*2. If the hospital district includes territory within more than one county, the hospital district may be dissolved only if a majority of the members of the board of county commissioners of each county included within the district take the actions described in subsection 1.*

*3. In determining pursuant to subsection 1 whether the dissolution of a hospital district is in the best interests of the county and of the hospital district, a board of county commissioners must consider, without limitation, whether:*

*(a) The hospital district is capable of providing sufficient health care services to the residents of the county or counties within the territory of the hospital district in an economical manner;*

*(b) The basic health care needs of the residents of the county or counties within the territory of the hospital district will be met if the hospital district is dissolved;*

*(c) There have been substantial changes in the financial status of the hospital district during the immediately preceding 2 years; and*

*(d) There has been an increased tax burden on the residents of the county or counties within the territory of the hospital district during the immediately preceding 2 years.*

*4. The county clerk of each county within which any territory of the hospital district is located shall thereupon certify a copy of the ordinance to the board of trustees of the hospital district and shall mail written notice to all qualified electors who reside within the hospital district in his county, containing:*

*(a) The adoption of the ordinance;*

*(b) The determination of the board of county commissioners of that county that the district should be dissolved; and*

*(c) The time and place for the hearing on the dissolution.*

**Sec. 3.** *1. On or before the date fixed for the hearing on the dissolution of a hospital district, any qualified elector who resides within the hospital district may protest against the dissolution of the hospital district by filing a written protest with the county clerk of the county in which he resides.*

*2. If, at or before the time fixed by the ordinance and notice, written protest is filed pursuant to subsection 1 by a majority of the qualified electors who reside within the hospital district, the hospital district must not be dissolved. If any written protests are filed and:*

*(a) If the hospital district does not include territory within more than one county, the board of county commissioners determines that the protests so filed represent less than a majority of the qualified electors who reside within the hospital district, the board may complete the dissolution by the adoption of a final ordinance of dissolution, which ordinance must contain a recital of the protests, and the recital is binding and conclusive for all purposes; or*

*(b) If the hospital district includes territory within more than one county, the board of county commissioners of each county included within the hospital district determines that the protests so filed represent less than a majority of the qualified electors who reside within the hospital district, the dissolution may be completed by the adoption of a final ordinance of dissolution by the board of county commissioners of each county included within the hospital district, which ordinance must contain a recital of the protests, and the recital is binding and conclusive for all purposes.*

**Sec. 4.** *Except as otherwise provided in subsection 2 of section 3 of this act, at the place, date and hour specified for the hearing on the dissolution of a hospital district in the notice mailed pursuant to section 2 of this act or at any subsequent time to which the hearing may be adjourned, the board of county commissioners of each county within which any territory of the hospital district is located shall give full consideration to all*

*protests which have been filed pursuant to section 3 of this act and shall hear all persons desiring to be heard and shall thereafter adopt either the final ordinance of dissolution or an ordinance determining that the hospital district must not be dissolved. The dissolution may be completed by the adoption of a final ordinance of dissolution by the board of county commissioners of each county included within the hospital district.*

**Sec. 5.** *Within 30 days after the effective date of each ordinance which is required for the dissolution of a hospital district pursuant to section 3 or 4 of this act, each county clerk shall file a copy of the ordinance in his office and shall cause to be filed an additional copy of the ordinance in the Office of the Secretary of State, which filings must be without fee and must otherwise be filed in the same manner as articles of incorporation are required to be filed under chapter 78 of NRS.*

**Sec. 6.** *In a county whose population is less than 400,000:*

*1. All outstanding and unpaid tax sales and levies and all special assessment liens of a dissolved hospital district are valid and remain a lien against the property against which they are assessed or levied until paid, subject to the limitations of liens provided by general law. Taxes and special assessments paid after the dissolution of a hospital district must be placed in the general fund of the county in which the district hospital was located.*

*2. The board of county commissioners of the county in which the district hospital was located has the same power to enforce the collection of all special assessments and outstanding tax sales of the hospital district as the hospital district had if it had not been dissolved.*

**Sec. 7.** NRS 450.550 is hereby amended to read as follows:

450.550 As used in NRS 450.550 to ~~[450.750,]~~ **450.760**, inclusive, *and sections 2 to 6, inclusive, of this act*, unless the context otherwise requires:

1. "Board of trustees" means:

(a) A board of hospital trustees:

(1) Elected pursuant to NRS 450.620 and a physician who is appointed pursuant to subsection 1 of NRS 450.640, if applicable; or

(2) Appointed pursuant to NRS 450.625 and a physician who is appointed pursuant to subsection 1 of NRS 450.640, if applicable;  
or

(b) A board of county commissioners, if that board enacts an ordinance which provides that the board of county commissioners is, ex officio, the board of hospital trustees, and a physician who is appointed pursuant to subsection 1 of NRS 450.640, if applicable.

2. "District hospital" means a hospital constructed, maintained and governed pursuant to NRS 450.550 to ~~[450.750, inclusive,]~~ **450.760, inclusive, and sections 2 to 6, inclusive, of this act.**

**Sec. 8.** NRS 450.760 is hereby amended to read as follows:  
450.760 In a county whose population is less than 400,000:

1. ~~If, after a hearing, the board of county commissioners determines that the dissolution of a hospital district is necessary, the board shall by resolution provide for the dissolution of the hospital district. On and after the filing of the resolution with the county recorder, the hospital district shall be deemed dissolved.~~

~~2.]~~ Before dissolving a hospital district pursuant to ~~subsection 1.]~~ *this section and sections 2 to 6, inclusive, of this act*, the board of county commissioners *of the county in which the district hospital is located* shall determine whether the proceeds from the taxes currently being levied in the *hospital* district, if any, for the operation of the hospital and the repayment of debt are sufficient to repay any outstanding obligations of the hospital district within a reasonable period after the dissolution of the *hospital* district. If there are no taxes currently being levied for the hospital district or the taxes being levied are not sufficient to repay the outstanding obligations of the hospital district within a reasonable period after the dissolution of the *hospital* district, before dissolving the *hospital* district pursuant to ~~subsection 1 the]~~ *this section and sections 2 to 6, inclusive, of this act:*

*(a) If the hospital district does not include territory within more than one county, the board of county commissioners may levy a property tax on all of the taxable property in the hospital district that is sufficient, when combined with any revenue from taxes currently being levied in the hospital district, to repay the outstanding obligations of the hospital district within a reasonable period after the dissolution of the hospital district [.] ; or*

*(b) If the hospital district includes territory within more than one county, the board of county commissioners of each county within which any territory of the hospital district is located may levy a property tax on all of the taxable property in the county that is within the hospital district that is sufficient, when combined with any revenue from taxes currently being levied in the hospital district, to repay the outstanding obligations of the hospital district within a reasonable period after the dissolution of the hospital district.*

2. The allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 does not apply to any additional property tax levied pursuant to ~~this subsection.]~~ *subsection 1.* If the hospital district is being managed by the Department of Taxation pursuant to NRS 354.685 to 354.725, inclusive, at the time of dissolution, the rate levied pursuant to ~~this]~~ *subsection 1* must not be included in the total ad valorem tax levy for the purposes of the application of the limitation in NRS 361.453, but the rate levied when combined with all other overlapping rates levied in the State

must not exceed \$4.50 on each \$100 of assessed valuation. ~~The~~ A board of county commissioners shall discontinue any rate levied pursuant to ~~this~~ subsection 1 on a date that will ensure that no taxes are collected for this purpose after the outstanding obligations of the hospital district have been paid in full.

3. If, at the time of the dissolution of the hospital district ~~is~~ *pursuant to this section and sections 2 to 6, inclusive, of this act*, there are any outstanding loans, bonded indebtedness or other obligations of the hospital district, including, without limitation, unpaid obligations to organizations such as the Public Employees' Retirement System, unpaid salaries or unpaid loans made to the hospital district by the county, the taxes being levied in the *hospital* district at the time of dissolution must continue to be levied and collected in the same manner as if the hospital district had not been dissolved until all outstanding obligations of the *hospital* district have been paid in full, but for all other purposes, the hospital district shall be ~~deemed~~ *considered* dissolved from the ~~time the resolution is filed pursuant to subsection 1.~~ *date on which each board of county commissioners of each county included within the hospital district has adopted a final ordinance of dissolution pursuant to section 3 or 4 of this act.*

4. If the hospital district is being managed by the Department of Taxation pursuant to NRS 354.685 to 354.725, inclusive, at the time of dissolution, the management ceases upon dissolution, but the board of county commissioners *of the county in which the district hospital was located* shall continue to make such financial reports to the Department of Taxation as the Department deems necessary until all outstanding obligations of the hospital district have been paid in full.

5. The property of the dissolved hospital district may be retained by the board of county commissioners *of the county in which the district hospital was located* for use as a hospital or disposed of in any manner the board deems appropriate.

6. Any proceeds of the sale or other transfer of the property of the dissolved hospital district and any proceeds from taxes which had been levied and received by the hospital district before dissolution, whether levied for operating purposes or for the repayment of debt, must be used by the board of county commissioners *of the county in which the district hospital was located* to repay any indebtedness of the hospital district.





