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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 2586**

February 12, 2008

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The bill was read for the first time and Interim introduction, referred to Health and Human Services

1.1 A bill for an act  
1.2 relating to local government; authorizing Cass County to establish a hospital  
1.3 district.

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

1.5 Section 1. **CASS COUNTY HOSPITAL DISTRICT.**

1.6 Subdivision 1. **Creation; referendum.** The board of commissioners of Cass County  
1.7 may by resolution create a Cass County hospital district. The resolution providing for  
1.8 creation of the district must be published in the official newspaper of the county. If within  
1.9 ten days after the publication a petition requesting a referendum on the resolution is filed  
1.10 with the county board that is signed by qualified voters of the county at least equal in  
1.11 number to ten percent of the number of voters voting at the most recent election of county  
1.12 commissioners, the resolution is not effective until it is approved by a majority of qualified  
1.13 voters voting on the question at a special or general election.

1.14 Subd. 2. **Operation of district.** (a) A hospital district created under this section  
1.15 is subject to Minnesota Statutes, sections 447.32, except subdivision 1, to 447.41, and  
1.16 except as provided otherwise in this section.

1.17 (b) A hospital district created under this section is a municipal corporation and a  
1.18 political subdivision of the state.

1.19 Subd. 3. **Board.** The board of the district shall be comprised of one member from  
1.20 each county commissioner district elected by the voters at the first general election in the  
1.21 county after the resolution has become effective. At the 2010 general election, the board  
1.22 members from districts one, three, and five shall be elected to two-year terms and board  
1.23 members from districts two and four to four-year terms. Their successors shall be elected

2.1 to regular four-year terms in 2012, 2014, and thereafter. Terms begin on the first day of  
2.2 January following the election.

2.3 If members are elected in 2008, their terms shall be two years. When the district is  
2.4 first created, the county commissioner from each district shall appoint a member of the  
2.5 board to serve until the commencement of the term of a successor.

2.6 When a vacancy occurs, the county commissioner from the district affected shall  
2.7 appoint a member to serve until January 1 following the next general election in the  
2.8 county when a successor shall be elected for a regular term or the unexpired remainder  
2.9 of the regular term.

2.10 Subd. 4. **Tax levy.** The tax levied under Minnesota Statutes, section 447.34, must  
2.11 not exceed \$..... for taxes levied in 2009. For taxes levied in 2010 and subsequent years,  
2.12 the tax must not exceed the lesser of:

2.13 (1) the product of the hospital district's property tax levy limitation for the previous  
2.14 year determined under this subdivision, multiplied by 103 percent; or

2.15 (2) the product of the hospital district's property tax levy limitation for the previous  
2.16 year determined under this subdivision multiplied by the ratio of the most recent available  
2.17 annual medical care expenditure category of the revised Consumer Price Index, U.S.  
2.18 citywide average, for all urban consumers prepared by the United States Department of  
2.19 Labor to the same annual index for the previous year.

2.20 The proceeds of the tax may be used for all purposes of the hospital district.

2.21 Subd. 5. **Territory.** The territory of the entire county of Cass is the hospital district.

2.22 Subd. 6. **References.** The county acts in the place of cities and towns for purposes  
2.23 of Minnesota Statutes, sections 447.32, except subdivision 1, to 447.41; and all references  
2.24 made to hospital districts in Minnesota Statutes, sections 447.32, except subdivision 1, to  
2.25 447.41, apply to the Cass County hospital district.

2.26 Subd. 7. **No detachment.** Minnesota Statutes, section 447.38, subdivision 2, does  
2.27 not apply to the hospital district created under this section.

2.28 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
2.29 the governing body of Cass County and its chief clerical officer comply with Minnesota  
2.30 Statutes, section 645.021, subdivisions 2 and 3.