

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE DRH80112-LB-124A\* (2/15)**

Short Title: Cabarrus Hospital Charter.

(Local)

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Sponsors: Representatives Johnson and Barnhart (Primary Sponsors).

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO RESTATE THE CHARTER OF CABARRUS MEMORIAL HOSPITAL.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 307, Public-Local Laws of 1935, as amended by Chapter 421, Public-Local Laws of 1935, Chapter 45 of the Session Laws of 1951, Chapter 1154 of the 1977 Session Laws, Chapter 277 of the 1981 Session Laws, Chapter 947 of the Session Laws of 1987, Chapter 602 of the 1989 Session Laws, Chapter 982 of the 1989 Session Laws, S.L. 1998-204, and S.L. 2004-67, reads as rewritten:

"Section 1. That the Board of County Commissioners of Cabarrus County, North Carolina, by a majority vote of said Board, or upon the petition of two hundred voters of said county, shall, after thirty days notice at the courthouse door and publication in one or more newspapers in said county for thirty days, order an election to be held to determine the will of the people of said county whether there shall be issued and sold bonds to an amount not to exceed one hundred thousand dollars (\$100,000), to bear interest at not exceeding six per cent per annum, and to be payable, both principal and interest, when and where they may decide, and to levy a tax of not exceeding two cents on the one hundred dollar valuation of property, the proceeds of sale of said bonds to be issued to be used in securing lands and erecting or altering buildings and equipping same to be used as a public hospital for said county, and said tax to be levied to pay the interest on said bonds, and to provide a sinking fund therefor to pay said bonds at maturity. The said Board of County Commissioners shall also levy a tax not to exceed two cents on the one hundred dollar valuation of property for the maintenance and upkeep of said hospital. If the majority of the qualified voters at said election shall vote in favor of the issuing of said bonds and the levying of said tax, then said bonds, or such part thereof as the said Board of County Commissioners may determine, shall be issued and sold by said Board. Said tax, or such part thereof as shall be required, shall be

1 levied. The hospital so erected from the sale of said bonds in addition to other  
2 hospitalization funds from other sources shall be known as the "Cabarrus Memorial  
3 Hospital."

4 "Sec. 2. That at said election, those voters favoring the issuing and sale of bonds and  
5 levying of the tax aforesaid shall vote a written or printed ballot, "For Cabarrus  
6 Memorial Hospital," and those opposed shall vote a written or printed ballot, "Against  
7 Cabarrus Memorial Hospital," and for said election, the County Commissioners shall  
8 order a new registration, such registration to be used only for said special election to be  
9 governed by the laws of the State, and for said election, the County Commissioners  
10 shall appoint registrars and judges of election, and fix a date for making returns of  
11 election, at which date, the County Commissioners shall meet and canvass the returns of  
12 said election, and declare and record the result of said election. If a majority of the  
13 qualified voters shall fail to approve the issuing of said bonds and the levy of said tax at  
14 the first election held as above provided, then the County Commissioners may order  
15 another election for the same purpose and in the same manner: Provided, said second  
16 election shall not be held in the same year as said first election.

17 "Sec. 3. If a majority of the qualified voters shall vote "For Cabarrus Memorial  
18 Hospital," at any election held under this Act, then the County Commissioners shall  
19 issue and sell bonds authorized by said election for not less than par, and shall pay over  
20 the proceeds arising therefrom to the Treasurer of Cabarrus County, who shall pay out  
21 the same under the orders of the executive committee of the hospital hereinafter  
22 provided for, said executive committee being authorized to use and expend said fund in  
23 the purchase of necessary site, which said site shall be central and convenient, and in the  
24 erection and equipment of the necessary building or buildings for said county hospital,  
25 and the taxes which may be levied and collected under this Act shall also be paid to the  
26 Treasurer of Cabarrus County, and by said Treasurer kept in two separate accounts, one  
27 of said accounts being the hospital interest and sinking fund, and the other account the  
28 hospital maintenance fund, and from said taxes the said Treasurer shall set apart to the  
29 hospital interest and sinking fund such part thereof as shall be required to pay interest  
30 on the bonds and to provide the necessary sinking fund for the payment of said bonds,  
31 and the said Treasurer is authorized to lend only upon satisfactory security, approved by  
32 the Local Government Commission, the accumulations of said sinking fund from time  
33 to time for the best interest obtainable, and until said sinking fund is required for the  
34 purpose of paying off the said bonds, and said Treasurer, out of said hospital interest  
35 and sinking fund, shall pay the interest on said bonds and the bonds at maturity, but the  
36 said Treasurer shall not be required to begin with the creation of a sinking fund for the  
37 retirement of said bonds before two years from the date of issuing same. The said  
38 Treasurer shall pay out the moneys set apart to the hospital maintenance fund upon the  
39 order of the executive committee of the hospital, and it shall be the duty of the Board of  
40 Commissioners of Cabarrus County to annually levy and collect as other taxes a special  
41 tax not exceeding the limit provided by this Act, sufficient to pay the interest on said  
42 bonds, and to provide the necessary sinking fund for the payment of same, and also to  
43 afford the necessary maintenance fund as herein provided.

1 "Sec. 4. The bonds issued under the provisions of this Act shall mature in not  
2 exceeding thirty years from date, and shall be in such denominations as the County  
3 Commissioners shall determine, and shall draw interest at a rate not exceeding six per  
4 cent annually, or semi-annually, and said bonds shall be serial bonds, maturing in such  
5 amounts as may be determined by the County Commissioners. The first installment  
6 shall fall due not later than five years from date of issue of said bonds, and the last  
7 installment falling due not later than thirty years from date of said issue.

8 "Sec. 5. Should a majority of the qualified voters of Cabarrus County, under any  
9 election held under this Act, vote "For Cabarrus Memorial Hospital," then the County  
10 Commissioners shall at once appoint a Board of Trustees, one trustee to come from each  
11 and every voting precinct in the county. Said Board of Trustees shall be divided into  
12 three groups, the members of the first group being appointed for two years, the members  
13 of the second group being appointed for three years, the members of the third group  
14 being appointed for four years. Upon the first meeting of the Board of Trustees, which  
15 shall not be less than ten days from the date of appointment, the said Board shall  
16 appoint an executive committee composed of seven members from the trustees, all  
17 residents of the county. The Cabarrus County Medical Society and the Medical Staff of  
18 the hospital may each nominate for appointment by the Board of Trustees two  
19 practicing physicians to serve as honorary and advisory members of said executive  
20 committee; such advisory members shall serve without voting power. Said executive  
21 committee shall be divided into three groups, the members of the first group being  
22 appointed for one year, the members of the second group being appointed for two years,  
23 and the members of the third group being appointed for three years. In case of any  
24 vacancy for any cause on the executive committee, except for expiration of term of  
25 appointment, the executive committee shall of its own motion fill the unexpired term. In  
26 case of vacancy on the Board of Trustees for any cause, including the creation of a new  
27 voting precinct in the county in which a member does not reside and the expiration of  
28 terms of all members, the said Board shall fill the vacancy by electing a new member  
29 who resides within the newly created voting precinct or from the same voting precinct  
30 as that of the retired member. In the event two or more voting precincts should be  
31 consolidated, the appointment of all members residing within the new voting precinct  
32 shall thereupon terminate and the Board of Trustees shall appoint a member from the  
33 newly created voting precinct. The Board of Trustees shall appoint members of the  
34 executive ~~committee~~ committee upon the expiration of their terms of office.

35 "Sec. 6. The said executive committee shall within ten days after their appointment  
36 or election, qualify by taking the oath of civil officers and organize as an executive  
37 committee by the election of one of their number as chairman, one as secretary, and by  
38 the election of such other officers as they may deem necessary, but no bond shall be  
39 required of them. No member shall receive any compensation for his services  
40 performed, but he may receive reimbursement for any cash expenditures actually made  
41 for personal expenses incurred as such member, and an itemized statement of such  
42 expenses and money paid out shall be made under oath by each of such members and  
43 filed with the Secretary and allowed only by the affirmative vote of all the members  
44 present at a meeting of the executive committee. The executive committee shall make

1 and adopt such by-laws, rules and regulation for their own guidance and for the  
2 government of the hospital as may be deemed ~~expedient~~expedient for the economic  
3 and equitable conduct thereof, not inconsistent with this Act, and the ordinances of the  
4 city or town wherein such public hospital is located. They shall have the exclusive  
5 control of the expenditure of all moneys collected to the credit of the hospital fund, and  
6 the purchase of site or sites, the purchase or construction of any hospital building or  
7 buildings, and of the supervision, care and custody of the grounds, rooms or buildings  
8 purchased, constructed, leased, or set apart for that purpose: Provided that all moneys  
9 received for the credit of such hospital shall be deposited in a special fund for the  
10 hospital and shall be paid out only upon warrants or checks drawn by a proper officer  
11 designated by the executive committee upon due authorization of such committee. Said  
12 executive committee shall have the power to appoint a chief executive officer and  
13 necessary assistants, and to fix their compensation and shall in general carry out the  
14 spirit and intent of this act in establishing and maintaining a county general acute care  
15 hospital. Such committee shall hold meetings at least once each month, shall keep a  
16 complete record of all its proceedings, and four members of such committee shall  
17 constitute a quorum for the transaction of business. One of said members shall visit and  
18 examine said hospital at least twice each month, and the committee shall during the first  
19 week in January of each year file with the Board of Commissioners of said county a  
20 report of their proceedings with reference to such hospital, and a statement of all  
21 receipts and expenditure during the year, and shall at such time certify to the Board of  
22 County Commissioners the amount necessary to maintain and improve such hospital for  
23 the ensuing year. No member shall have a personal pecuniary interest, either directly or  
24 indirectly, and the purchase of any supplies for said hospital, unless the same are  
25 purchased by competitive bidding. Provided, that such hospital may render care and  
26 services to members of the Board of Trustees and to companies in which such members  
27 may have an interest on those terms and conditions as such care and services are  
28 otherwise made available.

29 "Sec. 7. The hospital established under this Act shall be for the benefit of the  
30 inhabitants of Cabarrus County, and of any person falling sick or being injured or  
31 maimed within its limits; but every inhabitant or person who is not a pauper shall pay to  
32 such executive committee or such officers as it shall designate for such county public  
33 hospital a reasonable compensation for occupancy, nursing, care, medicine, and/or  
34 attendance, according to the rules and regulations prescribed by said executive  
35 committee, such hospital always being subject to such reasonable rules and regulations  
36 as said committee may adopt in order to render the use of said hospital of the greatest  
37 benefit to the greatest number; and said executive committee may exclude from the use  
38 of such hospital any and all inhabitants and persons who shall willfully violate such  
39 rules and regulations; and said committee may extend the privileges and use of such  
40 hospital to persons residing outside of Cabarrus County upon such terms and conditions  
41 as said executive committee may from time to time by its rules and regulations  
42 prescribe.

43 "Sec. 8. When such hospital is established, the physicians, nurses, attendants, the  
44 person sick therein, and all persons approaching or coming within the limits of same,

1 and all furniture and other articles used or brought there, shall be subject to such rules  
2 and regulations as said executive committee may prescribe.

3 "Sec. 9. That "Cabarrus Memorial Hospital" is hereby declared to be a body  
4 corporate, with power to receive and hold gifts, grants, and devices of real and personal  
5 property, to sue and be sued, and to do any and all lawful acts necessary to carry out the  
6 objects of its creation, and shall possess all other rights and powers usually incident to  
7 corporations. Such rights and powers shall include, without limitation, the authority to  
8 sell real and personal property; to establish additional locations to render medical  
9 services; to establish trusts or foundations to administer hospital funds; to retain  
10 securities donated to such hospital notwithstanding the provisions of Chapter 159 of the  
11 General Statutes relating to permissible investments; and to enter into private long term  
12 leases or subleases of hospital owned or leased real property for periods not exceeding  
13 10 years without notice or other compliance with Chapter 160A of the General Statutes.  
14 ~~Cabarrus Memorial Hospital may use a single prime contractor contract, a construction~~  
15 ~~management contract, or a design build contract for the erection, construction,~~  
16 ~~alteration, or repair of any building at any of its facilities. The previous sentence shall~~  
17 ~~apply only to contracts entered into on or before July 1, 1992.~~

18 "Sec. 10. The executive committee of such hospital shall determine the conditions  
19 under which the privileges of practice may be available and shall promulgate rules and  
20 regulations governing the conduct of such practice at said hospital.

21 "Sec. 11. Notwithstanding G.S. 116-15, the Executive Committee of Cabarrus  
22 Memorial Hospital may establish and maintain in connection with and as a part of the  
23 hospital an educational program for nursing and allied health sciences. The Executive  
24 Committee may award an Associate, Baccalaureate, and advanced degrees to graduates  
25 of the nursing education or allied health sciences programs as appropriate.

26 "Sec. 12. The executive committee shall have the power to determine rates to be  
27 charged for hospital services, to evaluate and approve or reject claims for charity  
28 services and to generally establish collection policies and practices for the hospital.

29 "Sec. 12.1. (a) Notwithstanding anything herein or elsewhere in the laws of this  
30 State to the contrary, so long as (i) there are no county bonds issued for the benefit of  
31 Cabarrus Memorial Hospital outstanding; (ii) there is no county tax levy for the direct  
32 benefit of the hospital; and (iii) the Executive Committee of the hospital operates  
33 Cabarrus Memorial Hospital as an acute care general hospital open to the general public  
34 free of discrimination based upon race, creed, color, sex or national origin and on a  
35 nonprofit basis, the provisions of Chapter 159 of the General Statutes of North Carolina  
36 relating to public hospitals, and any other provisions of the General Statutes relating to  
37 public hospitals, shall not be applicable to Cabarrus Memorial Hospital and its  
38 Executive Committee.

39 (b) As long as the conditions of subsection (a) of this section continue to be  
40 satisfied, the Executive Committee of Cabarrus Memorial Hospital may operate  
41 Cabarrus Memorial Hospital in the same manner as private nonprofit corporations  
42 operate acute care hospitals in this State without the limitations and restrictions  
43 applicable to public hospitals under the laws of this State; and that the Executive

- 1 Committee may provide for the governance of the hospital in such manner as it deems  
2 in the best interest of the hospital."  
3           **SECTION 2.** This act is effective when it becomes law.