



March 29, 2025

General Hospital

Dear Reader:

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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,

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General Hospital

Private Acts of 1957 Chapter 21

SECTION 1. That the general and overall purpose of this Act be, and the same is hereby declared to be, to cause a General Hospital to be maintained and operated within Rhea County.

SECTION 2. That all actions to be taken by said County under the authority of this Act, or other applicable law, not herein or by other applicable law expressly or by necessary implication authorized to be otherwise taken for and on behalf of said County, shall occur by or pursuant to action of the Quarterly County Court of said County, as its governing body.

SECTION 3. That said County be, and it is hereby authorized to acquire by its erection and original equipment, purchase, lease or otherwise, and to own, purchase, sell, lease or otherwise dispose of, a General Hospital within the County.

SECTION 4. That said County be and it is hereby authorized to maintain and operate such a Hospital by and through a Board of Hospital Directors, hereby created, which Board shall have and exercise, for and on behalf of the County, full authority and powers in and for the purpose of the general and governing control and supervision of the maintenance and operation of such hospital by the County, including the authority and powers to formulate, adopt, prescribe and carry out policies, plans, rules and regulations for the maintenance and operation of such a Hospital by the County, which shall include, among all other ones deemed necessary or proper by the Board, those as to employment, discharge and compensation of personnel, purchase of materials, supplies and equipment, use and disposition of materials, supplies and equipment and making and keeping of books and other records, accountings and reports, public health programs, coordination of the efforts and integration of the functions of public health units and such a hospital so maintained and operated, admission and discharge of patients, rates and payments for services furnished, requisite deposits for admissions and services, prepayment hospitalization plans, responsibility and accountability of all employees or other hospital or staff personnel as to funds, records, occupation and use of premises, equipment, materials, supplies and equipment, examinations and audits of books and other records.

SECTION 5. That said Board shall be composed of seven members who are citizens of the County and who have resided in the County for at least two years and who shall be business men with at least five years of general business experience and shall be at least twenty-five years of age. Said Board shall always be composed of at least three members residing in the First and Second Civil Districts and four members residing in the Third and Fourth Civil Districts of Rhea County. Not more than three members of said Board shall be persons who are also Justices of the Peace of the County.

The members of the Board shall be elected by the Quarterly County Court. The Quarterly County Court at its meeting, if and when this Act is approved and ratified, shall elect the first Board which shall take office March 1, 1957. The County Court at its first election shall elect one member whose term shall expire on February 1, 1958, and two members whose terms shall expire on February 1, 1959 two members whose terms shall expire on February 1, 1960, and two members whose terms shall expire on February 1, 1961. At its January meeting each year thereafter, the County Court shall elect the successor to the member, or members, whose terms shall expire the following February 1st, for a term of four years. The terms of office shall be so staggered that not more than two members will be elected each year so as to have a continuing Board so that there will always be experienced members on said Board. A Director whose term has expired shall continue to serve until his successor shall have been elected in the manner herein provided.

Vacancies occurring in membership of the Board shall be filled at the next meeting of the Quarterly County Court.

Each member of the Board shall, before entering upon the duties of his office, make and file with the Clerk of the County Court an oath to the effect that he will faithfully, honestly and impartially discharge the duties of his office to the best of his ability.

SECTION 6. That the said Board of Directors shall receive no compensation for their services but may be paid their necessary expenses incurred in the proper discharge of their duties as members of the Board.

SECTION 7. That such Board shall, at its regular meeting in February of each year, organize by electing one of their number as Chairman and shall also elect a Secretary who may, or may not, be a member of such Board.

It will be the duty of the Directors to hold a meeting at least once a month at some place designated by

them. They shall meet at any other time upon the call of the Chairman, or upon the call of any three Directors. Said Board shall keep complete, permanent and public records and minutes reflecting all business and transactions of the Board.

SECTION 8. That the powers and duties of said Board shall include that, specifically to engage, employ, contract with or otherwise obtain, retain, regulate and control the services of a hospital administrator, or superintendent, to be in immediate charge of and to personally administer or superintend the maintenance and operation of such a hospital by the County, which administrator or superintendent shall so serve at the will, consistent with any applicable contract provisions, of the Board and be directly responsible and accountable to it for and in connection with such operation of the hospital. The compensation of such administrator or superintendent, and any other benefits or other matters in connection with his compensation or basis therefor, shall be as prescribed by the Board. Such administrator or superintendent shall execute and remain under surety bond payable to the State of Tennessee for the use and benefit of the County in such amount and with such surety or sureties as may be prescribed by the Board and be approved by its Chairman and Secretary, to be conditioned so as to assure the full, faithful, complete and honest performance of the duties of such administrator or superintendent and the accounting for and paying over into the office of the County Trustee, in the manner as hereinafter provided, all funds collected or otherwise received in or by virtue of the operation of the hospital by the County, and to account for, preserve or turn over to the Board all funds on hand, materials, supplies and equipment. Any person authorized by the Board to countersign checks shall also be required to execute a like surety bond in an amount to be determined by the Board.

SECTION 9. That the Board of Hospital Directors shall administer its own financial affairs, and maintain separate banking arrangements. All disbursements made by the Board shall be made by check, signed by the Hospital Administrator, and countersigned by some member of the Board, or other person designated by the Board. The Board shall install and maintain a system of double entry accounting of all funds received and expended. The Board shall annually, prepare and submit to the Quarterly County Court a budget reflecting in detail all estimated receipts and disbursements of the Hospital. Said Budget shall be for the fiscal year July 1st to June 30th, and shall be submitted by the Board not later than May 1st, prior to the commencement of the fiscal year. The initial Board shall prepare and submit such budget as soon after the effective date of this Act as may be practical; but, in any event, not more than Sixty (60) Days after the commencement of the terms of the members of said initial Board. The Board shall be required to operate said Hospital within the budget adopted by the Quarterly County Court and on a cash or pay as you go basis.

SECTION 10. That the Quarterly County Court of Rhea County be and the same is hereby authorized to appropriate to the Board of Hospital Directors from the general funds of the County, such sums as may be required to commence the operation of said Hospital, and thereafter such sums as may be required to pay any deficits arising in the operation and maintenance of said Hospital; and said Quarterly County Court of Rhea County is further authorized and empowered to levy a Hospital tax sufficient for this purpose upon all the taxable property located in said County. Said tax to be a special tax not to exceed Thirty (30) Cents upon each One Hundred and No/100 (\$100.00) Dollars worth of taxable property; and provided that the funds derived from such levy shall be carried on the official books and records of said County, separate and apart from other accounts, and which tax shall be in addition to the levy for general County purposes when collected by the Trustee or received by him from other miscellaneous revenue shall be transferred by him to the Board of Hospital Directors.

SECTION 11. That on the first day of July of every year hereinafter, such profits or funds that are in the hands of the Board of Hospital Directors, after retaining such amount as they may deem necessary or advisable for working capital, will be delivered over to the Trustee of Rhea County and take his receipt therefor, and said funds will be used to apply on the retirement of the amount previously advanced by the County for working capital and/or operating expenses.

SECTION 12. That the Board of Directors shall prepare and submit to the Quarterly County Court during each quarter of each fiscal year a complete financial statement and report which, among other things, shall reflect a comparison of actual receipts and disbursements with budgeted receipts and disbursements as of the dates of such financial statements.

SECTION 13. That the Board of Hospital 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. A copy of said Audit shall be filed with the County Court Clerk which shall become a public record and be open to the inspection of any interested citizen or taxpayer.

SECTION 14. That all laws, or parts of laws, in conflict with or inconsistent with the provisions of this Act, or any part thereof, are hereby repealed, and this Act shall take effect from and after its passage, the

public welfare requiring it.

SECTION 15. That should any section, or part of a section, of this Act be declared unconstitutional, or for any reason invalid, same shall not be held to impair or invalidate the constitutionality, validity, force or effect of any other section or part of this Act, it being expressly declared by the General Assembly that this Act and the remaining sections, or parts of sections, would have been approved or adopted without regard to the invalidity or unconstitutionality of any part of a section, unless it clearly appears that the remainder of the Act be necessarily dependent upon that part declared invalid or unconstitutional.

SECTION 16. That this Act shall have no effect unless the same shall have been approved by two-thirds vote of the Quarterly County Court of Rhea County, Tennessee, on or before the next regular meeting of said Quarterly County Court occurring more than Sixty Days after its approval by the Chief Executive of this State. It's approval or non-approval shall be proclaimed by the Chairman of the Quarterly County Court of Rhea County, Tennessee, and shall be certified by him to the Secretary of State.

Passed: February 6, 1957.

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