

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 759

An Act to amend and reenact §§ 15.1-1519, 15.1-1523, 15.1-1525 and 15.1-1526 of the Code of Virginia, relating to powers of the commission and bonds issued by local government hospital or health center commissions.

[H 675]

Approved April 11, 1994

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.1-1519, 15.1-1523, 15.1-1525 and 15.1-1526 of the Code of Virginia are amended and reenacted as follows:

§ 15.1-1519. Powers of commission.

Any hospital or health center commission established hereunder shall have all powers necessary or convenient to carry out the general purposes of this chapter, including the following powers in addition to others herein granted:

1. In General. To sue and be sued; to adopt a seal and alter the same at pleasure; to have perpetual succession; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

2. Officers, Agents and Employees. To employ such technical experts and such other officers, agents and employees as it may require, to fix their qualifications, duties and compensation and to remove such employees at pleasure.

3. Acquisition of Property. To acquire within the territorial limits of the political subdivisions for which it is formed, by purchase, lease, gift or otherwise, whatever lands, buildings and structures may be reasonably necessary for the purpose of establishing, constructing, enlarging, maintaining and operating one or more hospitals or health centers.

4. Construction. To acquire, establish, construct, enlarge, improve, maintain, equip and operate any hospital or health center, and any other facilities and services for the care and treatment of sick persons.

5. Rules and Regulations for Management. To make and enforce rules and regulations for the management and conduct of its business and affairs and for the use, maintenance and operation of its facilities and properties.

6. Acceptance of Donations. To accept gifts and grants from the Commonwealth or any political subdivision thereof and from the United States and any of its agencies; and to accept donations of money, personal property or real estate, and take title thereto from any person, firm, corporation or association.

7. Rules and Regulations as to Patients. To make rules and regulations governing the admission, care and treatment of patients in such hospital or health center, to classify patients as to charges to be paid by them, if any, and to determine the nature and extent of the service to be rendered patients.

8. Federal and State Aid. To comply with the provisions of the laws of the United States and the Commonwealth, and any rules and regulations made thereunder, for the expenditures of federal or state money in connection with hospitals or health centers and to accept, receive and receipt for federal and state money granted the commission, or granted any of the political subdivisions for which it is formed, for hospital or health center purposes.

9. Borrowing Money. To borrow money upon its bonds, notes, debentures, or other evidences of indebtedness issued for the purpose only of acquiring, constructing, improving, furnishing or equipping buildings or structures for use as a hospital or health center, and to secure the same by pledges of its revenues *and property* as hereafter provided.

10. Execution of Instruments for Borrowing. To execute all instruments necessary or convenient in connection with the borrowing of money and the issuance of bonds as herein authorized.

11. Leases and Construction Agreements. To enter into leases and agreements with persons, firms, corporations, associations or other groups which provide for the construction and/or operation of a hospital or health center by such persons, firms, corporations, associations or other groups on land of the commission.

12. Management Agreements. To contract with persons, firms, corporations, associations or other groups as it may deem appropriate for the management and operation of any hospital or health center subject to the control of the commission; however, the commission may agree that it will charge such rates for service as will enable it to make reasonable compensation for such management and operation.

§ 15.1-1523. Provisions to secure payment of bonds.

Any resolution or resolutions of the commission authorizing the issuance of any bonds may contain provisions, which shall be a part of the contract with the holders of the bonds, (i) pledging any or all revenues of the hospital or health center to secure the payment of the interest on such bonds and to create a sinking fund to retire the principal thereof at maturity; (ii) *providing for the granting of a lien*

on, or the creation of a security interest in, any property, real or personal, of the commission as security for the payment of the principal of, and interest on, such bonds and the due and punctual performance of any agreements made in connection therewith; (iii) providing for such schedule of fees and charges as will produce funds sufficient to pay operating costs and debt service until such bonds are retired; and (iv) prescribing the rights, obligations, powers and duties of the commission, the trustee under any trust indenture under which the bonds are issued, and the bondholders, in connection with or pertaining to such bonds.

§ 15.1-1525. Bonds payable from revenues of hospital or health centers.

Any bonds issued under this chapter shall be payable only from the revenues and receipts of the hospital or health center for the acquisition, establishment or construction of which the bonds were issued *and from any property the commission has made subject to a lien to secure such bonds*. The bonds and other obligations of the commission shall not be a debt of any city, county or town or of the Commonwealth, and neither the members of the commission nor any person executing the bonds or other obligations shall be liable personally thereon by reason of the issuance thereof.

§ 15.1-1526. Property of commission exempt from foreclosure or execution sale and judgment lien.

No interest of the commission in any property, real or personal, shall be subject to sale by foreclosure of a mortgage, trust indenture, or any other instrument thereon or relating thereto, either through judicial proceedings or the exercise of a power of sale contained in the instrument. All property of the commission shall be exempt from levy and sale by virtue of an execution, and no execution or judicial process shall issue against such commission. No judgment against the commission shall be a charge or lien upon its property, real or personal. Nothing contained in this section shall prohibit the owner of a leasehold interest granted by the commission from granting a lien or other security interest in his leasehold which would be subject to sale or foreclosure as provided in any instrument creating the lien or other security interest. *Nothing contained in this section shall prohibit the commission from granting a lien on, or creating a security interest in, property, real or personal, of the commission to secure any bonds issued under this chapter, any of which property will be subject to sale or foreclosure as provided in the instrument granting such lien or creating such security interest.*