

Approved: 3-24-95  
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Chair Sandy Praeger at 10:00 a.m. on March 8, 1995 in Room 526-S of the Capitol.

All members were present except:

Committee staff present:

Bill Wolff, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Jo Ann Bunten, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

**Discussion on SB 321 - Community health cooperation act**

Staff briefed the Committee on balloon amendments to **SB 321**. (Attachment 1)

The Chair called attention to an article in the February 23, 1995 issue of Today's Health entitled "Life in rural practice getting more difficult" provided by Senator Harrington.

In answer to a member's question staff noted that involvement with the commission would depend on the situation and how the commission or the governing body would interact with the advisory council. It was pointed out that language on page 3, line 9, provides that the community health cooperation advisory council under the supervision of the board of county commissioners of the governing body would negotiate the agreement.

In reference to the bill, a member expressed concern that such legislation might suppress competition. Another member felt the bill would be positive and create an avenue for a community to maintain local control, be responsible for good health of patients, as well as creating a market place that would allow all to play by the same rules. Another member suggested information regarding indigent care by Columbia/HCA owned hospitals be provided, and also commented that it would be more logical for the advisory board to make a report, give such information to the county commissioners and then the county commissioners could do the negotiating.

Dona Bales, Association of Kansas Hospices, provided written testimony in support of **SB 321**, (Attachment 2), and Dwayne Peaslee, President, Kansas Building Trades Council, (Attachment 3)

In answer to a member's question, staff noted that it is permissive on the governmental unit to appoint the advisory council, and that language on page 2 of the bill reads that in no case more than 90 days subsequent to the notice would the project be basically delayed.

Ron Hein, representing Columbia/HCA, submitted a balloon of the bill with proposed amendments. (Attachment 4)

In answer to a member's concern regarding indigent care, it was noted that Medicaid will cover those who are Medicaid eligible but not cover those who do not qualify which is then left to the hospital to write off. The managed care plan would hopefully control cost and the way access to care is provided by limiting emergency room use if it isn't needed and getting people access care through physician offices.

The meeting was adjourned at 11:00 a.m.

The next meeting is scheduled for March 9, 1995.



# SENATE BILL No. 321

By Committee on Public Health and Welfare

2-14

9 AN ACT enacting the community health cooperation act; relating to the  
 10 construction, development or other establishment of new hospitals or  
 11 the purchase or lease of existing hospitals within certain areas of the  
 12 state; providing for the creation of community health cooperation  
 13 councils; providing powers and duties thereof; relating to taxation of  
 14 certain hospital property; amending K.S.A. 65-427 and repealing the  
 15 existing section.

advisory

16  
 17 *Be it enacted by the Legislature of the State of Kansas:*  
 18 New Section 1. Sections 1 to 5, inclusive, of this act shall be known  
 19 and may be cited as the community health cooperation act.

20 New Sec. 2 (a) On and after the effective date of this act, no person  
 21 shall undertake in any county of this state in which there is located a city  
 22 hospital, district hospital or county hospital, organized pursuant to the  
 23 laws of this state, the construction, development or other establishment  
 24 of a new hospital or purchase or lease of an existing hospital unless such  
 25 person first notifies the board of county commissioners of the county in  
 26 which the new hospital is proposed to be located or in which the existing  
 27 hospital is located or, if a new hospital is proposed to be located within  
 28 the city limits of a city in which is located an existing city hospital or if  
 29 the existing hospital which is proposed to be purchased or leased is a city  
 30 hospital and is located within the city limits of a city, notifies the governing  
 31 body of the city.

advisory

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advisory

32 (b) Within 30 days after receipt of such notice, the board of county  
 33 commissioners or the governing body of the city, as appropriate, shall  
 34 notify the person who has declared an intention to construct, develop or  
 35 otherwise establish a new hospital or purchase or lease an existing hospital  
 36 as to whether or not a community health cooperation council will be  
 37 appointed as provided in this act.

38 (c) If a community health cooperation council is appointed under this  
 39 act, no construction, development or other establishment of a new hos-  
 40 pital or purchase or lease of an existing hospital shall commence until the  
 41 community health cooperation council has been appointed and has com-  
 42 pleted its duties as provided under this act. In no case shall limitation on  
 43 the construction, development or other establishment of a new hospital

Senate Public Health and Welfare  
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 Attachment No. 1

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or purchase or lease of an existing hospital under this section apply more than 90 days subsequent to the notice provided to the board of county commissioners or governing body of the city by the person intending to undertake such project.

(d) If the board of county commissioners or the governing body of the city, as appropriate, decides not to appoint a community health cooperation council, the board of county commissioners or governing body shall notify (1) the person intending to undertake the construction, development or other establishment of a new hospital or purchase or lease of an existing hospital that no community health cooperation council will be appointed and (2) the secretary of health and environment that no community health cooperation council will be appointed. Upon receipt of such notice, the person intending to undertake the construction, development or other establishment of a new hospital or purchase or lease of an existing hospital, subject to all applicable laws relating thereto, may commence the project to construct, develop or otherwise establish a new hospital or purchase or lease an existing hospital within the county or city as specified by such person when giving the notice of intent to undertake the project or purchase or lease to the board of county commissioners or governing body of the city.

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New Sec. 3. (a) The board of county commissioners or governing body of the city, as applicable, upon the receipt of a notice of intent to undertake the construction, development or other establishment of a new hospital or purchase or lease of an existing hospital under subsection (a) of section 2 and amendments thereto may appoint a community health cooperation council of not less than five members nor more than 15 members to hold public hearings and collect information with respect to the construction, development or other establishment of a new hospital or purchase or lease of an existing hospital within the territory of the county or city.

advisory

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and advise the board of county commissioners or governing body, as appropriate,

(b) The hearings shall be designed to solicit information from the general public and from the person giving such notice about the following:

(1) The geographical area and the population to be served by the hospital.

(2) the anticipated demand for the health care service and services to be provided;

(3) a description of the service or services to be provided;

(4) the use, adequacy and availability of existing facilities and services within the area to be served offering the same or similar health care services;

(5) projected cost estimates of capital expenditures and operating expenses;

(6) projected staffing of the service;

42  
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(7) schematic plan of construction for the new hospital if the project is for a new hospital;

(8) the benefit to the community which would result from the development of the project, as well as the anticipated impact on other providers offering the same or similar health care services in the geographical area to be served; and

(9) other information which may be specified by the council.

New Sec. 4. Upon the conclusion of such public hearings, the community health cooperation council shall negotiate with the person filing under subsection (a) of section 2 and amendments thereto notice to construct, develop or otherwise establish a new hospital or who proposes to purchase or lease an existing hospital a community benefit agreement which shall state the community expectations of availability of services to be provided, the coordination of services with existing facilities, the opportunities for minimizing duplication of services, the care to be provided uninsured and underinsured persons, the benefits to the community which will result and other matters relating to community expectation which the parties to the community benefit agreement deem appropriate.

Upon the completion of the agreement, the public findings of the community health cooperation council and the agreement reached by the council with such person shall be filed with the board of county commissioners or the governing body which appointed the council.

New Sec. 5. (a) Hospital property which has been exempt from taxation because such property was owned by a city, county or hospital district and which due to transfer of ownership has ceased to be exempt from taxation shall be subject to taxation as any other hospital property which is subject to taxation. In addition thereto, such hospital property shall be subject to personal and real property tax for the five tax years immediately preceding the date of transfer of ownership of the property if the property has been tax exempt for five or more years immediately preceding the date of transfer of such property or if the property has not been tax exempt for such time for the number of years the property has been tax exempt, if the secretary of health and environment determines, after notice and hearing, that the new owners of the hospital have substantially failed to comply with a community benefit agreement entered into under section 4 and amendments thereto. Any person aggrieved by the decision of the secretary of health and environment under this subsection may appeal the decision in accordance with provisions of the act for judicial review and civil enforcement of agency actions.

(b) If property under subsection (a) is found to be subject to personal and real property tax for tax years immediately preceding the date of transfer of ownership of the property as provided in subsection (a), it shall be the duty of the county appraiser to list and appraise such property for

advisory

, under the supervision of the board of county commissioners or the governing body,

preliminary

The preliminary agreement shall be in writing.

a preliminary

preliminary

advisory

The preliminary agreement shall become a final agreement upon approval by the board of county commissioners or the governing body, as applicable.

has

1-4

each such year during which such property was not taxed, and it shall be designated on the appraisal roll as "added appraisal" for each such preceding year or years. The county clerk, upon receipt of the valuation for such property shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax would have been levied, and shall certify such amount to the county treasurer as an added appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an additional property tax bill by the county treasurer. No interest shall be imposed unless the tax remains unpaid after such 45 day period. Taxes levied pursuant to this section which remain unpaid after such 45 day period shall be deemed delinquent and the county treasurer shall collect and distribute such tax in the same manner as prescribed by law for the collection and distribution of other taxes levied upon property which are delinquent. If the owner of such property is deceased, taxes charged as herein provided shall be levied against the estate of such deceased person and shall be paid by the legal representative or representatives of such estate.

(c) Any tax collected under this section shall be distributed as otherwise provided by law except that with the agreement of the local taxing districts eligible to receive such revenues the revenues which would have been received by the local taxing districts may be placed in a community fund, in accordance with such agreement, to support local health initiatives as provided in the agreement.

Sec. 6. K.S.A. 65-427 is hereby amended to read as follows. 65-427. After July 1, 1973, (a) No person or governmental unit, acting severally or jointly with any other person or governmental unit shall establish, conduct or maintain a medical care facility in this state without a license under this law.

(b) ~~The agreement reached by the community health cooperation council and by the person filing notice under subsection (a) of section 2 and amendments thereto to construct, develop or otherwise establish a new hospital or to purchase or lease an existing hospital shall be a part of any license issued for the hospital and shall be enforceable by the licensing agency as a condition on the license. If a community health cooperation council is appointed under section 3 and amendments thereto, no license shall be granted to any person who has filed a notice under subsection (a) of section 2 and amendments thereto for the construction, development or other establishment of a new hospital or for the purchase or lease of an existing hospital unless such person has cooperated with the community health cooperation council under the community health cooperation act and an agreement has been reached by the community health cooperation council and such person under section 4 and amend-~~

final written

board of county commissioners or the governing body

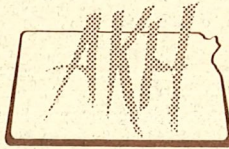
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board of county commissioners or governing body, as appropriate,





## ASSOCIATION OF KANSAS HOSPICES

Senate Bill 321 would recognize that community health care decisions need to have input from the community served.. The rapidly changing profile of health care providers within a community can create risks for the provision of health care. The Association of Kansas Hospices recognizes the need of the community to be actively involved in decisions that could effect the health care of that community.

SB 321 allows the community to name a council to study the impact of a proposed new hospital or change of ownership of a hospital in a community served by a city hospital or a district hospital or county hospital. We believe it is reasonable to allow the community health cooperation council to gather information about proposed new service and the result that this service will have on that community's health care.

The Association of Kansas Hospices requests that the community health cooperation council have members that represent the current providers of health care in the community, including hospice providers. Further, the Association of Kansas Hospices requests that the Senate Committee on Public Health and Welfare consider extending this bill to include other health care providers, such as hospice who share the same concerns. Nonprofit, community based health care has health care delivery as it's sole purpose. The Association of Kansas Hospices believes that any new provider of health care into a community has a responsibility to that community to speak to the issues raised in Sec. 3 of SB 321.

SB 321 leaves it to the individual community to determine it's own interest in pursuing such conversation. SB 321 assures each community that its board of county commissioners or the governing body of the city will know what new hospital is interested in coming into the community. The process will allow health care providers and recipients, the general public, an opportunity to gather information and to express and resolve concerns. Further, SB 321 establishes a timetable for this process that would not create substantial delays for the proposed new hospital.

The Association of Kansas Hospices has worked over the past few years to assure accessibility to hospice care for all terminally ill Kansans. The Association believes that by January 1, 1996, virtually every Kansan will have hospice care available to them. An influx of hospice providers in Kansas could adversely effect this accessibility. A number of our community owned, community based hospices serve large geographic areas. If a new hospice provider serves only the most populated areas, rural access could be dramatically effected. At the very least, the Association of Kansas Hospices believes that the community deserves to have the right to understand the impact of new hospitals and hospices before final decisions are made.

The Association of Kansas Hospices supports SB 321 as a bill that allows, should a community choose, the community to be informed and involved in decisions about new hospitals coming to serve their community . The Association of Kansas Hospices respectfully requests that nonprofit, community based hospices be afforded the same opportunity.



FAX TRANSMITTAL SHEET

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NUMBER OF PAGES (INCLUDING THIS SHEET): 2

DATE: 3/07/95 TIME OF DAY: \_\_\_\_\_

TO: Senator Sandy Praeger  
\*\* Attention JoAnn  
\_\_\_\_\_  
\_\_\_\_\_

FROM: Joe Pucci  
PLUMBING & PIPEFITTING INDUSTRY  
HEALTH & WELFARE FUND OF KANSAS

FAX (316) 264-9245

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Senate Public Health & Welfare  
Date: 3-8-95  
Attachment No. 3



**THE 1995 KANSAS LEGISLATURE SHOULD ENACT SENATE BILL NO. 321**

Senate Bill 321 would protect Kansans from outside "for-profit" entities who only wish to exploit our communities. Other areas across our State have suffered from the callous, bottom line, tactics of these medical entrepreneurs.

These tactics, which have proven to be very successful, seldom vary. First on the list is to gain local support. This is usually accomplished by promising jobs and by being highly visible in some local charity. Then you will see the construction of a new facility. This facility will promise the wonders of modern medicine to the area, but will in fact duplicate the services offered by other area providers. The construction project will be awarded to some out-of-state company which does not provide health insurance to employees. The community will become responsible for the costs of providing health care for these employees and their families. Then a huge advertising campaign will begin. Promises of cures which rival the loaves and fishes will be heard daily on local television and radio stations.

Then comes the coup de grace. The for-profit facility will negotiate a preferred provider arrangement with the largest insurance company in the area. The price of services will be so low that other area hospitals will be unable to compete. The community hospitals are then forced either into a "partnership" with the "Corporation" (followed by a drastic decrease in services offered) or they go out of business. Lay-offs follow and usually, the end result is fewer people employed in what has now become the "Medical Industry".

Now that a monopoly has been established, prices soar. Those without insurance quickly find that preventive medical services are beyond their means. This leads to a serious illness, which translates to inpatient care and higher cost. Where do the poor turn to for this care? You guessed it, they turn to their community hospital (if it's still in business).

We understand that health care is a business and must be run like a business, but the bottom line should be providing care, not making a gluttonous profit from someone's misfortune.

These Medical Corporations look upon our Kansas Communities as plums, which are now ripe for picking. Though they may tell you otherwise, their goal is to create a monopoly in the communities they pretend to serve and then take the profit to their corporate home.

Senate Bill No. 321 will protect us from these unscrupulous practices and Huey Long type dictatorships!

Sincerely yours,

*Dwayne Peaslee*

Dwayne Peaslee  
President, Kansas Building Trades Council

SENATE BILL No. 321

By Committee on Public Health and Welfare

2-14

*Columbia*

Senate Public Health & Welfare  
Date: 3-8-95  
Attachment No. 4

9 AN ACT enacting the community health cooperation act; relating to the  
10 construction, development or other establishment of new hospitals or  
11 the purchase or lease of existing hospitals within certain areas of the  
12 state; providing for the creation of community health cooperation  
13 councils; providing powers and duties thereof; ~~relating to taxation of~~  
14 ~~certain hospital property~~; amending K.S.A. 65-427 and repealing the  
15 existing section.  
16

17 *Be it enacted by the Legislature of the State of Kansas:*

18 New Section 1. Sections 1 to 5, inclusive, of this act shall be known  
19 and may be cited as the community health cooperation act.

20 New Sec. 2. (a) On and after the effective date of this act, no person  
21 shall undertake in any county of this state in which there is located a city  
22 hospital, district hospital or county hospital, organized pursuant to the  
23 laws of this state, the construction, development or other establishment  
24 of a new hospital or purchase or lease of an existing hospital unless such  
25 person first notifies the board of county commissioners of the county in  
26 which the new hospital is proposed to be located or in which the existing  
27 hospital is located or, if a new hospital is proposed to be located within  
28 the city limits of a city in which is located an existing city hospital or if  
29 the existing hospital which is proposed to be purchased or leased is a city  
30 hospital and is located within the city limits of a city, notifies the governing  
31 body of the city.

32 (b) Within 30 days after receipt of such notice, the board of county  
33 commissioners or the governing body of the city, as appropriate, shall  
34 notify the person who has declared an intention to construct, develop or  
35 otherwise establish a new hospital or purchase or lease an existing hospital  
36 as to whether or not a community health cooperation council will be  
37 appointed as provided in this act.

38 ~~(c) If a community health cooperation council is appointed under this~~  
39 ~~act, no construction, development or other establishment of a new hos-~~  
40 ~~pital or purchase or lease of an existing hospital shall commence until the~~  
41 ~~community health cooperation council has been appointed and has com-~~  
42 ~~pleted its duties as provided under this act. In no case shall limitation on~~  
43 ~~the construction, development or other establishment of a new hospital~~

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1 ~~or purchase or lease of an existing hospital under this section apply more~~  
2 ~~than 90 days subsequent to the notice provided to the board of county~~  
3 ~~commissioners or governing body of the city by the person intending to~~  
4 ~~undertake such project.~~

5 ~~(b) If the board of county commissioners or the governing body of~~  
6 ~~the city, as appropriate, decides not to appoint a community health co-~~  
7 ~~operation council, the board of county commissioners or governing body~~  
8 ~~shall notify (1) the person intending to undertake the construction, de-~~  
9 ~~velopment or other establishment of a new hospital or purchase or lease~~  
10 ~~of an existing hospital that no community health cooperation council will~~  
11 ~~be appointed and (2) the secretary of health and environment that no~~  
12 ~~community health cooperation council will be appointed. Upon receipt~~  
13 ~~of such notice, the person intending to undertake the construction, de-~~  
14 ~~velopment or other establishment of a new hospital or purchase or lease~~  
15 ~~of an existing hospital, subject to all applicable laws relating thereto, may~~  
16 ~~commence the project to construct, develop or otherwise establish a new~~  
17 ~~hospital or purchase or lease an existing hospital within the county or city~~  
18 ~~as specified by such person when giving the notice of intent to undertake~~  
19 ~~the project or purchase or lease to the board of county commissioners or~~  
20 ~~governing body of the city.~~

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21 New Sec. 3. (a) The board of county commissioners or governing  
22 body of the city, as applicable, upon the receipt of a notice of intent to  
23 undertake the construction, development or other establishment of a new  
24 hospital or purchase or lease of an existing hospital under subsection (a)  
25 of section 2 and amendments thereto may appoint a community health  
26 cooperation council of not less than five members nor more than 15 mem-  
27 bers to hold public hearings and collect information with respect to the  
28 construction, development or other establishment of a new hospital or  
29 purchase or lease of an existing hospital within the territory of the county  
30 or city.

31 (b) The hearings shall be designed to solicit information from the  
32 general public and from the person giving such notice about the following:

33 (1) The geographical area and the population to be served by the  
34 hospital;

35 (2) the anticipated demand for the health care service and services  
36 to be provided;

37 (3) a description of the service or services to be provided;

38 (4) the use, adequacy and availability of existing facilities and services  
39 within the area to be served offering the same or similar health care  
40 services;

41 (5) projected cost estimates of capital expenditures and operating ex-  
42 penses;

43 (6) projected staffing of the service;

4-3

- 1 (7) schematic plan of construction for the new hospital if the project
- 2 is for a new hospital;
- 3 (8) the benefit to the community which would result from the de-
- 4 velopment of the project, as well as the anticipated impact on other pro-
- 5 viders offering the same or similar health care services in the geographical
- 6 area to be served; and
- 7 (9) other information which may be specified by the council.

the City, if the proposed new hospital is to be located in the city, or the County, if the proposed new hospital is to be located in the County,

8 New Sec. 4. Upon the conclusion of such public hearings, the ~~com-~~  
 9 ~~munity health cooperation council~~ shall negotiate with the person filing  
 10 under subsection (a) of section 2 and amendments thereto notice to con-  
 11 struct, develop or otherwise establish a new hospital or who proposes to  
 12 purchase or lease an existing hospital a community benefit agreement  
 13 ~~which shall state the community expectations of availability of services to~~  
 14 ~~be provided, the coordination of services with existing facilities, the op-~~  
 15 ~~portunities for minimizing duplication of services, the care to be provided~~  
 16 ~~uninsured and underinsured persons, the benefits to the community~~  
 17 ~~which will result and other matters relating to community expectation~~  
 18 ~~which the parties to the community benefit agreement deem appropriate.~~  
 19 Upon the completion of the agreement, the public findings of the com-  
 20 munity health cooperation council and the agreement reached by the  
 21 ~~council with such person~~ shall be filed with the board of county commis-  
 22 sioners or the governing body which appointed the council.

with regards to the following issues: 1) that the new hospital would adopt the same policies as the city or county owned hospital in the market regarding the provision of indigent care and the delivery of necessary medical and health services to patients with demonstrated economic need, including emergency treatment where medically applicable, without economic consideration; 2) that there should be an annual report, in a state preapproved format, comparing the community benefit between the city/county hospital and all other hospitals in the community and the new hospital, including without limitation taxes paid; non-profit sponsorship dollars; total number of community education hours provided; detail of write-offs by category in both absolute dollars and percentages; and narrative and financial presentations of unprofitable, but important community services; 3) a confidential review of quality performance based upon measurable, objective outcome criteria, of all facilities, based upon data compiled by the Kansas Healthcare Data Board, utilizing comparisons with the existing hospitals in the city or county and the new hospital, and also utilizing comparisons with a national data base of comparable hospitals; 4) a comparison of high volume impatient and outpatient prices, comparing the existing hospital in the city or county and the new hospital and comparing both to a national data base of comparable hospitals in similar markets, based upon data compiled by the Kansas Healthcare Data Board. Issues set out in items three and four above shall only be subject to negotiation in the event that all hospitals in the State are subject to the collection of such data by the State Healthcare Data Board.

23 ~~New Sec. 5. (a) Hospital property which as been exempt from tax-~~  
 24 ~~ation because such property was owned by a city, county or hospital district~~  
 25 ~~and which due to transfer of ownership has ceased to be exempt from~~  
 26 ~~taxation shall be subject to taxation as any other hospital property which~~  
 27 ~~is subject to taxation. In addition thereto, such hospital property shall be~~  
 28 ~~subject to personal and real property tax for the five tax years immediately~~  
 29 ~~preceding the date of transfer of ownership of the property if the property~~  
 30 ~~has been tax exempt for five or more years immediately preceding the~~  
 31 ~~date of transfer of such property or if the property has not been tax~~  
 32 ~~exempt for such time for the number of years the property has been tax~~  
 33 ~~exempt, if the secretary of health and environment determines, after no-~~  
 34 ~~tice and hearing, that the new owners of the hospital have substantially~~  
 35 ~~failed to comply with a community benefit agreement entered into under~~  
 36 ~~section 4 and amendments thereto. Any person aggrieved by the decision~~  
 37 ~~of the secretary of health and environment under this subsection may~~  
 38 ~~appeal the decision in accordance with provisions of the act for judicial~~  
 39 ~~review and civil enforcement of agency actions.~~

40 (b) If property under subsection (a) is found to be subject to personal  
 41 and real property tax for tax years immediately preceding the date of  
 42 transfer of ownership of the property as provided in subsection (a), it shall  
 43 be the duty of the county appraiser to list and appraise such property for



4-4

1 each such year during which such property was not taxed, and it shall be  
 2 designated on the appraisal roll as "added appraisal" for each such pre-  
 3 ceding year or years. The county clerk, upon receipt of the valuation for  
 4 such property shall place such property on the tax rolls and compute the  
 5 amount of tax due based upon the mill levy for the year or years in which  
 6 such tax would have been levied, and shall certify such amount to the  
 7 county treasurer as an added appraisal. The amount of such tax shall be  
 8 due immediately and payable within 45 days after the issuance of an  
 9 additional property tax bill by the county treasurer. No interest shall be  
 10 imposed unless the tax remains unpaid after such 45 day period. Taxes  
 11 levied pursuant to this section which remain unpaid after such 45 day  
 12 period shall be deemed delinquent and the county treasurer shall collect  
 13 and distribute such tax in the same manner as prescribed by law for the  
 14 collection and distribution of other taxes levied upon property which are  
 15 delinquent. If the owner of such property is deceased, taxes charged as  
 16 herein provided shall be levied against the estate of such deceased person  
 17 and shall be paid by the legal representative or representatives of such  
 18 estate.

19 (c) Any tax collected under this section shall be distributed as oth-  
 20 erwise provided by law except that with the agreement of the local taxing  
 21 districts eligible to receive such revenues the revenues which would have  
 22 been received by the local taxing districts may be placed in a community  
 23 fund, in accordance with such agreement, to support local health initia-  
 24 tives as provided in the agreement.

25 Sec. 6. K.S.A. 65-427 is hereby amended to read as follows: 65-427.  
 26 After July 1, 1973, (a) No person or governmental unit, acting severally  
 27 or jointly with any other person or governmental unit shall establish, con-  
 28 duct or maintain a medical care facility in this state without a license  
 29 under this law.

30 (b) ~~The agreement reached by the community health cooperation~~  
 31 ~~council and by the person filing notice under subsection (a) of section 2~~  
 32 ~~and amendments thereto to construct, develop or otherwise establish a~~  
 33 ~~new hospital or to purchase or lease an existing hospital shall be a part~~  
 34 ~~of any license issued for the hospital and shall be enforceable by the li-~~  
 35 ~~censing agency as a condition on the license. If a community health co-~~  
 36 ~~operation council is appointed under section 3 and amendments thereto,~~  
 37 ~~no license shall be granted to any person who has filed a notice under~~  
 38 ~~subsection (a) of section 2 and amendments thereto for the construction,~~  
 39 ~~development or other establishment of a new hospital or for the purchase~~  
 40 ~~or lease of an existing hospital unless such person has cooperated with~~  
 41 ~~the community health cooperation council under the community health~~  
 42 ~~cooperation act and an agreement has been reached by the community~~  
 3 ~~health cooperation council and such person under section 4 and amend-~~

5

pursuant to section 4 of this act

No

4-5

*ments thereto.*

Sec. 7. K.S.A. 65-427 is hereby repealed.

3 Sec. 8. This act shall take effect and be in force from and after its  
4 publication in the Kansas register.