

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1435

By Senator(s) Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

SECTION 1. Section 27-105-365, Mississippi Code of 1972, is
amended as follows:

27-105-365. (1) The commissioners or board of trustees of
any hospital owned and operated separately or jointly by one or
more counties, cities, towns, supervisors districts, or election
districts or combinations thereof, including hospitals established
under the authority of Sections 41-13-1 through 41-13-9, as now or
hereafter amended, are hereby authorized and empowered to deposit
the funds of such hospital in one or more financial institutions
whose accounts are insured by the Federal Deposit Insurance
Corporation, selected by the board of trustees in the same manner
as county depositories are selected by boards of supervisors
pursuant to Section 27-105-305, located in its county or counties,
except as otherwise provided in the following paragraphs.

At the regular December meeting of the board of trustees in
1995, or at any regular December meeting of the board thereafter,
the board may, in its discretion, give notice by publication to
all financial institutions in its county or counties whose
accounts are insured by the Federal Deposit Insurance
Corporation * * *, that bids will be received from financial
institutions at the following January meeting, or some subsequent

meeting, for the privilege of keeping the hospital funds or any part thereof for a period of three (3) years, subject to earlier termination as authorized in this paragraph. Such bids shall be submitted and accepted in the same manner as provided in Section 27-105-305. After the board has selected a depository or depositories as provided in this paragraph, the board may, at any regular December meeting during the three-year period, give notice to and receive bids from financial institutions in the manner provided in this paragraph, for the privilege of keeping the hospital funds or any part thereof for a period of three (3) years, subject to earlier termination as authorized in this paragraph; and after receiving such bids, the board may reject all bids and elect to keep the funds in the current depository or depositories for the remainder of the three-year period under the terms originally agreed to with the depository or depositories, or if the board determines it to be in the best interests of the hospital, it may terminate the agreement with the current depository or depositories and select a new depository or depositories or the same depository or depositories from the bids received, choosing the bid or bids proposing the best terms for the hospital.

Such hospital funds, when so deposited, shall have the same security and protection as required for county funds in Section 27-105-315. When more than one (1) depository of whatever type is authorized, the * * * commissioners or board of trustees may select one or more of such depositories and may apportion such deposits, at their or its discretion, if more than one (1) depository is selected. If there is no financial institution located within such county or counties, the commissioners or board of trustees of such hospital may select, in their or its discretion, a depository located outside of such county or counties.

The commissioners or boards of trustees of such community

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hospitals shall deposit the funds of such hospital into the depository selected under this section on the day when they are received or collected, or on the next business day thereafter.

(2) The commissioners or board of trustees of any such hospital may, in their or its discretion, maintain one or more special funds for the purpose of making necessary repairs, necessary purchases of equipment, meeting operational and maintenance expenses, allowing for depreciation, providing contingent funds for emergencies, funding hospital improvements, or providing for other special needs, and may deposit any part of such special fund in accordance with the provisions contained in subsection (1) for the deposit of other funds of such hospital. Said commissioners or board of trustees may also invest any part of such special fund, any funds derived from the sale of bonds, or any other funds in excess of the sums which will be required to meet the current needs and demands of no more than seven (7) business days in the following:

(i) In any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county, school district or municipality of this state, which such county, school district or municipal bonds have been approved by a reputable bond attorney or have been validated by decree of the chancery court;

(ii) In obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a financial institution certified as a qualified depository;

(iii) In United States government agency, United States government instrumentality, or United States government sponsored enterprise obligations, the principal and interest of which are fully guaranteed by the government of the United States, such as the Government National Mortgage Association; or United States government agency, United States government

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instrumentality, or United States government sponsored enterprise obligations, the principal and interest of which are guaranteed by any United States government agency, United States government instrumentality, or United States government sponsored enterprise. However, at no time shall the funds invested in United States government agency, United States government instrumentality, or United States government sponsored enterprise obligations enumerated in the preceding sentence exceed fifty percent (50%) of all monies invested with maturities of thirty (30) days or longer. The limitation set forth in the preceding sentence shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time;

(iv) * * * In an account or accounts in one or more financial institutions located in this state, and such funds when so invested shall have the same security and protection as required in Section 27-105-315;

(v) * * * In an insured account or accounts in one or more financial institutions in this state * * * whose accounts are insured by the Federal Deposit Insurance Corporation * * *; provided that the amount in any single account shall not exceed the amount which at any one time is insured by the Federal Deposit Insurance Corporation * * *;

(vi) In any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 U.S.C. Section 80(a)-1 et seq., provided that the portfolio of such investment company or investment trust is limited to direct obligations issued by the United States of America, United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and to repurchase agreements fully collateralized by direct obligations of the United States of America, United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and the investment

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company or investment trust takes delivery of such collateral for the repurchase agreement, either directly or through an authorized custodian. The total dollar amount of funds invested in all open-end and closed-end management type investment companies and investment trusts at any one time shall not exceed twenty percent (20%) of the total dollar amount of funds invested under this subsection. The limitation set forth in the preceding sentence shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time.

In addition, the commissioners or the board of trustees, in their or its discretion, may invest such funds as permitted by Section 19-9-29, 21-33-323, 27-105-33 or 37-59-43, as the same may be amended from time to time.

In any event, the bonds or obligations described in subparagraph (i), (ii) or (iii) in which such funds are invested shall mature or be redeemable prior to the time the funds so invested will be needed for expenditures. When bonds or other obligations have been so purchased, the same may be sold or surrendered for redemption at any time by order or resolution of the commissioners or board of trustees of any such hospital, and the president or vice-president, when authorized by such order or resolution, shall have the power and authority to execute all instruments and take such other action as may be necessary to effectuate the sale or redemption thereof.

When any such special fund is maintained for a purpose that requires contract letting or other action by the governing authority or authorities of the counties, cities, towns, supervisors districts or election districts, separately or jointly owning and operating such hospital, the commissioners or board of trustees of the hospital may transfer the whole or any part of any such special fund to the governing authority or authorities aforesaid on condition that the same be used for such purpose or returned to the transferring commissioners or board of trustees

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158 within the time designated in the conditions.

159 (3) All funds which shall be derived from any tax levied for
160 the support and maintenance of any such hospital, and all other
161 funds which may be made available for the support and maintenance
162 of any such hospital by the state or any county or municipality,
163 and all fees and other monies which may be collected or received
164 by or for such hospital shall be placed in a special fund to the
165 credit of such hospital within sixty (60) days after collection,
166 and all such funds shall be expended and paid out upon the
167 allowance of the board of trustees or commissioners of the
168 hospital, as the case may be, and disbursed by checks signed by
169 such person, officer or officers, as may be designated by such
170 board of trustees or commissioners. Any officer or person who
171 shall be designated by such board of trustees or commissioners to
172 execute such checks shall furnish to such board of trustees or
173 commissioners a good and sufficient surety bond in such amount as
174 such board of trustees may fix, conditioned upon the faithful
175 discharge of his duties, and the premium on such bond shall be
176 paid from the funds available for the support and maintenance of
177 such hospital. No funds shall be disbursed by any such hospital
178 until the board of trustees or the commissioners thereof shall
179 have adopted an annual budget and submitted same to the respective
180 governing authority or authorities of the counties, cities, towns,
181 supervisors districts, or election districts, separately or
182 jointly owning and operating such hospital, and until such budget
183 shall have been approved by the * * * governing authority or
184 authorities, as the case may be, which approval shall be evidenced
185 by a proper order recorded upon the minutes of each such
186 authority. The accounts and records of any such hospital shall be
187 audited by the State Department of Audit at the same time and in
188 the same manner as the accounts and financial records of the
189 county are audited, and for such purpose shall be considered in
190 all respects as county accounts and records; * * * however, * * *

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191 this provision with regard to such audits shall be applicable only
192 to hospitals owned wholly or in part by a county.

193 (4) The provisions of this section shall not apply to
194 hospitals owned jointly by a city and county and operated by lease
195 agreement or contract with a nonprofit hospital corporation.

196 SECTION 2. This act shall take effect and be in force from
197 and after July 1, 1999.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-105-365, MISSISSIPPI CODE OF 1972,
2 TO REVISE AND EXPAND THE AUTHORIZED INVESTMENTS FOR FUNDS OF
3 COMMUNITY HOSPITALS; AND FOR RELATED PURPOSES.