

COUNTY HOSPITALS:
APPROPRIATIONS,
CANNOT BE REPAID:

\$15,068.04 general revenue funds of Ray County for 1956 paid for construction of sewer line of Ray County Memorial Hospital, by county court order, not a loan, but an appropriation made for improvement and maintenance of public hospital within meaning of Section 205.230, RSMo 1959. Hospital is unauthorized to repay appropriation to Ray County.

April 4, 1963

OPINION NO. 65

Honorable Charles H. Sloan
Prosecuting Attorney
Ray County
Richmond, Missouri



Dear Mr. Sloan:

This office is in receipt of your request for a legal opinion which reads as follows:

"I would like to request an opinion from your office on the following question:

"Can the Ray County Memorial Hospital legally repay the Ray County Court for money advanced by the said court to construct a sewer line prior to the time that the said hospital had funds available?

"In this connection it should be noted that the Ray County Memorial Hospital was built by money received from bonded indebtedness and under the Hill-Burton Act. This said money was paid at the time when the hospital had no funds available and was withdrawn from Class 6. Also, the Ray County Memorial Hospital now has a surplus of funds on deposit, while the funds in Class 6 of the county are practically depleted.

"I sincerely hope that this is sufficient information upon which you can render an opinion."

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Before a satisfactory answer can be given to the above inquiry, it must first be determined whether the money expended by the county court for construction of the hospital sewer line was loaned to the Ray County Memorial Hospital, or whether there was an appropriation for the improvement and maintenance of the hospital.

Your letter of February 21, 1963, reads in part as follows:

"In reply to your letter of February 14, I have attempted to search the county records with reference to the money allegedly 'advanced' by the county court to construct a sewer line for the county hospital. The only record which appears seems to be the entry whereby the county court accepted the bid of the company which constructed the said sewer line. Nothing appears which would clarify whether this said money was a loan or whether it was a donation on the part of the county." (Emphasis ours)

We are in receipt of a letter of Mr. Alvah Renfro, Ray County Treasurer bearing date of February 18, 1963. The letter contains a statement as to what the county treasurer's records show concerning the matter of inquiry. The letter reads in part as follows:

"In checking the records, I find there were two separate warrants issued to the Vic Koch Excavating Company, 11819 East Milford Street, Independence, Missouri. The work was for trenching the sewer line to the Ray County Memorial Hospital from the sewer system of the city of Richmond, Missouri.

"These warrants were paid out of Class #6. The first warrant, dated April 9, 1956, for the amount of \$11,839.31 was honored and paid by the County Treasurer, Ruby Frakes, with treasurer's check #6066 on April 18, 1956. The second was also paid out of Class #6. This warrant #41, dated July 30, 1956, for

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the amount of \$3,228.73 and marked balance in full on contract was honored and paid by the County Treasurer, Ruby Frakes, with treasurer's check #6265 on August 3, 1956."

In the absence of any county court records or other legal documents sufficiently showing the county court of Ray County actually loaned \$15,068.04, of county funds to the Ray County Memorial Hospital, which the hospital agreed to repay in accordance with the terms of the loan, there was no loan of county funds.

Therefore, it is our thought that the money paid to the excavating company for the benefit of the hospital, was an appropriation of county funds and not a loan.

Section 205.230, RSMo 1959, authorizes a county court to appropriate general revenue funds of the county for the improvement of a public hospital of the county, and reads as follows:

"In counties exercising the rights conferred by sections 205.160 to 205.-340, the county court may appropriate each year, in addition to tax for hospital fund herein provided for, not exceeding five per cent of its general fund for the improvement and maintenance of any public hospital so established."

The payment of county funds to the construction company for trenching and connecting the Ray County Memorial Hospital sewer line with the sewer system of the City of Richmond, Missouri, by the county court, was an appropriation of county funds for the improvement and maintenance of the hospital within the meaning of Section 205.230, supra, and the purpose for which the expenditure was made was proper.

All the money expended by the Ray County Court for the benefit of the hospital was during the year of 1956. Total tax collections of Ray County for 1956, amounted to \$148,625.00, and surplus funds of the county amounted to \$209,578.00, making a total general revenue fund of Ray County for 1956 of \$358,203.00. The county court was

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authorized by Section 205.230, supra, to appropriate not more than five percent of its general revenue of 1956 for hospital purposes, or \$17,910.15. However, the court appropriated \$15,068.04, for hospital purposes in 1956, or less than the five percent it was legally authorized to appropriate. Consequently, the amount thus appropriated was within the limitation provided by Section 205.230, RSMo 1959, and was proper. In view of the fact said section, nor any others of the Missouri statutes do not require or authorize appropriations of this class to be repaid by the recipient hospitals, the Ray County Memorial Hospital cannot legally repay the class six county funds in the sum of \$15,068.04 expended by the Ray County Court for the construction of the sewer line of such hospital.

CONCLUSION

Therefore, it is the opinion of this office that general revenue funds of Ray County for 1956, in the sum of \$15,068.04, paid to an excavating company for construction of a sewer line for the Ray County Memorial Hospital, by order of the county court, was not a loan of county funds to the hospital, but an appropriation of said funds by the county court for the improvement and maintenance of a public hospital, within the meaning of Section 205.230, RSMo 1959, which appropriation the hospital is legally unauthorized to repay Ray County.

The foregoing opinion, which I hereby approve, was prepared by my assistant, Paul N. Chitwood.

Yours very truly,

THOMAS F. EAGLETON
Attorney General

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