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1. HOSPITAL DISTRICT, JOINT TOWNSHIP—ESTABLISHED UNDER SECTION 3414-1 G. C.—SEPARATE AND DISTINCT SUBDIVISION.
2. ELECTORATE OF HOSPITAL DISTRICT—VOTE—ISSUANCE, JOINT TOWNSHIP HOSPITAL DISTRICT BONDS.
3. NO FIXED OR PRESCRIBED NET INDEBTEDNESS BOND LIMITATIONS FOR JOINT TOWNSHIP HOSPITAL DISTRICTS—UNIFORM BOND ACT—HOSPITAL DISTRICT LAW—SECTIONS 3414-1 ET SEQ., 2293-1 ET SEQ., G. C.

## SYLLABUS:

1. A joint township hospital district established under Section 3414-1, General Code, is a subdivision separate and distinct from the other subdivisions whose territory may be included within its boundary.

2. When the question of issuing joint township hospital district bonds is submitted to the electorate of the hospital district, the electors voting on the question vote as electors of that district, and not as electors of any other subdivision whose territory may be included within the boundary of the hospital district, and their votes as such electors are counted accordingly.

3. Neither the joint township hospital district law, Section 3414-1 et seq., General Code, nor the Uniform Bond Act, Section 2293-1 et seq., General Code, has fixed or prescribed any net indebtedness bond limitations for joint township hospital districts.

Columbus, Ohio, August 21, 1946

Hon. Roland Pontius, Prosecuting Attorney  
Jefferson, Ohio

Dear Sir:

This will acknowledge receipt of your letter requesting my opinion on two questions which involve the interpretation of Sections 3414-1 and 3414-2, General Code, relating to the establishment of joint township hospital districts and the issuance of bonds for the purpose of acquiring a site and erecting thereon and equipping a joint township district general hospital. Your letter reads as follows:

“In this county five townships and one village contemplate the formation of a joint hospital district under Section 3414-1 et

seq. of the General Code. The subdivisions interested in the proposed plan will also include five separate school districts.

The statutes seem to provide that the question of the submission of a bond issue shall be voted upon by the voters of the joint hospital district "voting as a subdivision". It is also observed that the provisions of the Uniform Bond Act apply to the issuance of any bonds by the hospital district. Obviously, there is a great variance in the tax valuations and net indebtedness of each of the subdivisions involved in the proposed plan.

The questions concerning which this office respectfully requires your opinion are:

1. Must the question of the issuance of bonds by the joint hospital district be determined by the voters of the district voting as a whole, and should the question of the passage of such bond issue be determined on the basis of the total votes cast in the entire district, or the total votes cast in the various subdivisions comprising the district?
2. In what manner is the net indebtedness of the joint hospital district to be determined?"

Section 3414-1, and the first paragraph of Section 3414-2 contain all of the provisions pertinent to the two questions you have submitted for my opinion, and read as follows:

Section 3414-1:

"The trustees of any two or more contiguous townships in any county may by a two-thirds favorable vote of each of said board of trustees, form themselves into a joint township district hospital board for the purpose of establishing, constructing and maintaining a joint township district general hospital, and aforesaid contiguous townships wherein said two-thirds favorable votes shall have been taken, shall become and be a part of a joint township hospital district.

Said joint township district hospital board shall organize within thirty days after the favorable vote shall have been taken by the last board of trustees joining themselves into said joint township district hospital board, and the president of the board of township trustees of the most populous township participating shall give notice of the time and place of organization, to each of the members of the boards of trustees of each and every township comprising said joint township hospital district, which notice shall be signed by the president of the board of trustees of said most populous township comprising the hospital district,

and be sent by registered mail to each and every member of the boards of trustees of the townships affected, at least five days prior to said organization meeting, and said meeting shall be held in one of the townships participating. All members of the boards of township trustees of all the townships so participating, shall comprise the joint district hospital board. For the purpose of this act two-thirds of all the duly elected township trustees of the townships constituting said joint township hospital district shall constitute a quorum for the transaction of any and all business. Said members of the respective boards of township trustees shall proceed at said organization meeting with the election of a president, secretary and treasurer, and such other officers as they deem proper and necessary, and shall transact such other business as may properly come before said board."

Section 3414-2:

"Upon the establishment of such township hospital district and after the organization of said township district hospital board, as aforesaid, the joint township hospital board of the joint township hospital district shall determine the amount of bonds to be issued, and such other matters as pertain thereto, and shall issue and sell said bonds to the extent and in the amount so determined when approved by the vote of the electorate of said hospital district voting as a subdivision, for the purchase of, a site and for the constructing and equipping of a hospital building thereon. Such bonds shall be issued and sold under the same manner and conditions and within the limitations prescribed by the uniform bond act, sections 2293-1 to 2293-86, inclusive, of the General Code of Ohio. \* \* \*"

In certain aspects your letter is based upon the erroneous assumption that villages and school districts may join with the townships in establishing joint township hospital districts. Such is not the case. While it is true that the territory comprising the villages and school districts in the townships which form a joint township hospital district, is also township territory, there is nothing in Sections 3414-1 and 3414-2, nor in any other statute, which empowers or authorizes municipalities or school districts, as such, to participate in any manner in the establishment of the hospital district. Such establishment is a township matter, exclusively.

With respect to the issuance of bonds for the purpose of acquiring a site and constructing thereon and equipping a joint township district general hospital, Section 3414-2 is quite clear in its provisions that the

bonds to be issued under and pursuant to its authority, are bonds of the joint township hospital district, and of no other subdivision whose territory may form part of the hospital district, and also that the question of the issuance of the bonds is to be submitted to the electors of the new subdivision, namely, the joint township hospital district which is defined as a "subdivision" in Section 2293-1 of the Uniform Bond Act, and that the electors of that district vote, not as electors of any village or school district, but as electors of the new subdivision.

In your second question you inquire in what manner the net indebtedness of a joint township hospital district is to be determined. Section 3414-1 et seq., General Code, contain no provision whatever on the subject of net indebtedness. And while it is provided in Section 3414-2 that the bonds shall be issued and sold under the same manner and conditions and "within the limitations" prescribed by the Uniform Bond Act, Section 2293-1 et seq., General Code, an examination of that Act will disclose that although many of its limitation provisions may be applied to joint township hospital district bonds, there is absolutely nothing in that Act which in any way undertakes to fix or regulate the net bonded indebtedness of joint township hospital districts. The only net indebtedness limitations found in the Uniform Bond Act are those specifically applicable to municipal corporations, school districts, townships and counties. See Sections 2293-14, 2293-15, 2293-16 and 2293-17, General Code, and related sections. There are, however, certain "limitations" of another character in the Uniform Bond Act that may be applied to joint township hospital district bond issues, and it is these limitations that are referred to in Section 3414-2, above quoted, namely: The interest rate cannot exceed six per cent per annum; the maximum maturities cannot extend beyond the limitations contained in Section 2293-9; the capitalization of interest cannot exceed one year's interest; and the first annual maturity of the bonds cannot be earlier nor later than that prescribed by Section 2293-12.

You are therefore advised as follows:

1. A joint township hospital district established under Section 3414-1, General Code, is a subdivision separate and distinct from the other subdivisions whose territory may be included within its boundary.
2. When the question of issuing joint township hospital district bonds is submitted to the electorate of the hospital district, the electors

voting on the question vote as electors of that district, and not as electors of any other subdivision whose territory may be included within the boundary of the hospital district, and their votes as such electors are counted accordingly.

3. Neither the joint township hospital district law, Section 3414-1 et seq., General Code, nor the Uniform Bond Act, Section 2293-1 et seq., General Code, has fixed or prescribed any net indebtedness bond limitations for joint township hospital districts.

Respectfully,

HUGH S. JENKINS,  
Attorney General.