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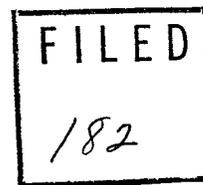
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October 30, 1987

OPINION LETTER NO. 182-87

The Honorable Joseph L. Driskill
Representative, District 154
House Post Office
State Capitol Building
Jefferson City, Missouri 65101



Dear Representative Driskill:

This opinion letter is in response to your questions concerning short-term borrowing by a county hospital in a third class county. The questions you posed are as follows:

- (1) Can county hospitals defined in Chapter 205, RSMo borrow funds in anticipation of revenues to be collected and, if so, what procedure should be followed?
- (2) Does the collector of revenue in third class counties have the authority under Chapter 52, RSMo or other related statutes to enter into agreements with a financial institution and a county hospital to disburse collected hospital funds jointly to both parties in repayment of a tax anticipation borrowing?
- (3) Does the county commission of a third class county have authority under Chapter 50, RSMo or other related statutes to issue tax anticipation notes on behalf of a county hospital?

Our office has addressed similar questions in prior opinions. Enclosed herewith is a copy of Opinion Letter No. 230, Reid, 1975, and a copy of Opinion No. 20, Crouch, 1961. In Opinion No. 20, Crouch, 1961, this office concluded that the county court (now the county commission) may in its

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discretion issue tax anticipation notes payable out of the county health center fund, but the county health center has no power, as such, to borrow money. In Opinion Letter No. 230, Reid, 1975, this office concluded that the same principles apply to a county hospital.

Since the date of our opinion letter in 1975, there have been changes in the applicable statutes relating to county hospitals. Section 205.190, RSMo, was amended in 1982 to provide for the office of treasurer of the county hospital board of trustees. See House Bill No. 1069, 81st General Assembly, Second Regular Session. Despite this statutory change, we believe the conclusion and reasoning of our prior opinions is still applicable.

In summary, it is the opinion of this office that the county commission may issue tax anticipation notes in accordance with the provisions of Chapter 50, RSMo for the benefit of the county hospital, but that the county hospital as such has no power to borrow money on a short term basis from a financial institution.

Very truly yours,



WILLIAM L. WEBSTER
Attorney General