

Special election set on hospital sales tax

(KNZA)--The Brown County Commission Monday voted 2-1 to approve a resolution setting a special election for May 21 on ten-year half-cent countywide retailers sales tax for the Hiawatha Community Hospital to provide health care services in the county.

The Commission took the action on the recommendation of a joint city/county advisory committee that has been working to find solutions to assist the hospital with its current financial crisis.

Commissioner Richard Lehmkuhl cast the lone no vote, voicing support for a five-year sales tax instead of ten years. Lehmkuhl said he feels a five year tax would have a better chance of receiving voter approval.

Hiawatha Hospital Interim CEO John Broberg appeared before the Commission to request approval of the resolution.

Broberg said many rural hospitals are challenged financially, with most operating in the red or losing money. "In Brown County, much like other Kansas hospitals, the hospitals are really the anchors of the community. Without the hospitals, we lose one of those most important components."

Broberg noted the results of a recent survey of Kansas hospitals shows a large percentage are receiving tax support. "In a recent report by the Kansas Hospital Association, on public funding, 96 hospitals participated in the survey. 69% of those hospitals in Kansas have tax support, ranging from \$146,000 to \$2 million."

The hospital, at the March 4 meeting of the joint advisory committee, reduced the amount of financial support sought from \$5 to \$2 million up front. Broberg said the reduction will decrease that amount of interest expense and those funds will be available to the hospital for health care in Brown County.

The hospital has committed to opening a rural health care clinic in Horton should the Horton hospital close.

If approved by voters, the sales tax proceeds would be used to pay off \$2 million in bonds that would be issued to provide funding for the hospital. Once the bonds are paid off, the sales tax proceeds would continue to support the hospital for the remainder of the 10-year period.

The sales tax is estimated to generate \$600,000 to \$700,000 annually. If approved by voters, the sales tax would commence October 1st.

A poll election will be held instead of a mail ballot election as had originally been proposed.

Brown County and the City of Hiawatha will split the estimated \$20,000 cost for the special election.

Broberg said the hospital plans to hold town hall meetings throughout the county to educate the public about the need for the sales tax.

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