§ 503. Laboratories; state hospitals; service to counties and municipalities. 1. The director of any hospital in the department, with the approval of the commissioner, may enter into a contract with proper municipal or county officials under which the laboratory service of the hospital may be made available to municipalities or counties or parts thereof when in his judgment such a contract shall be in the interest of public health and not prejudicial to the interest or work of the institution.

2. The treasurer of the hospital, or the director thereof, if there is no treasurer, shall receive all moneys paid in consideration of such contract and pay the same into the general fund of the state.