

AN ACT

relating to the elections and operations of certain hospital districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 285.081, Health and Safety Code, is amended to read as follows:

Sec. 285.081. OPTIONAL FOUR-YEAR TERMS.

SECTION 2. Subchapter G, Chapter 285, Health and Safety Code, is amended by adding Sections 285.082 and 285.083 to read as follows:

Sec. 285.082. OPTIONAL THREE-YEAR TERMS. (a) The governing board of a hospital district created under general or special law may, on its own motion, order that the members of the governing board are to be elected to serve staggered three-year terms if:

(1) the members of the governing board serve staggered four-year terms on the date the governing board enters the order; and

(2) Subsection (b), (c), or (d) applies to the governing board.

(b) This subsection applies to a governing board of a hospital district with five members. The election of board members in the even-numbered year following the date an order is entered under Subsection (a) in which three board members are to be elected

1 shall be held as previously scheduled. Two of the members elected
2 at that election shall serve three-year terms, and one of the
3 members elected at that election shall serve a four-year term, to be
4 determined by random draw. Board members elected in subsequent
5 elections shall serve three-year terms.

6 (c) This subsection applies to a governing board of a
7 hospital district with seven members. The election of board members
8 in the even-numbered year following the date an order is entered
9 under Subsection (a) in which four members are to be elected shall
10 be held as previously scheduled. Two of the members elected at that
11 election shall serve three-year terms and two of the members
12 elected at that election shall serve four-year terms, to be
13 determined by random draw. Board members elected in subsequent
14 elections shall serve three-year terms.

15 (d) This subsection applies to a governing board of a
16 hospital district with nine members. The election of board members
17 in the even-numbered year following the date an order is entered
18 under Subsection (a) in which five members are to be elected shall
19 be held as previously scheduled. Two of the members elected at that
20 election shall serve three-year terms and three of the members
21 elected at that election shall serve four-year terms, to be
22 determined by random draw. The election of board members in the next
23 even-numbered year following the date an order is entered under
24 Subsection (a) in which four members are to be elected shall be held
25 as previously scheduled. Three of the members elected at that
26 election shall serve three-year terms and one of the members
27 elected at that election shall serve a four-year term, to be

1 determined by random draw. Board members elected in subsequent
2 elections shall serve three-year terms.

3 Sec. 285.083. RESIGNATION OF TERM. (a) A member of the
4 governing board of a hospital district is considered to have
5 resigned the member's position if the member is absent from five or
6 more regularly scheduled board meetings that the member is eligible
7 to attend in any 12-month period without an excuse approved by a
8 majority vote of the board.

9 (b) A resignation under Subsection (a) is effective on the
10 date of the fifth regularly scheduled board meeting at which the
11 member is absent without an excuse approved by the board.

12 (c) The validity of an action of the board is not affected by
13 the fact that the action is taken during a period in which a board
14 member is considered to have resigned under Subsection (a).

15 (d) This section does not apply to a hospital district
16 created under Chapter 281.

17 SECTION 3. Section 286.022(c), Health and Safety Code, is
18 amended to read as follows:

19 (c) The petition may provide:

20 (1) the number of directors for the district, which
21 number must be an odd number; ~~and~~

22 (2) the method by which directors are to be elected,
23 whether at large, by place, or by a combination of both, so that a
24 specific number of directors are elected from each commissioner
25 precinct and a specific number are elected at large; and

26 (3) whether directors will be elected to serve
27 two-year or four-year terms.

1 SECTION 4. Section 286.025(a), Health and Safety Code, is
2 amended to read as follows:

3 (a) The commissioners court shall give notice of the
4 election by publishing a substantial copy of the election order in a
5 newspaper with general circulation in the proposed district in
6 accordance with Section 4.003, Election Code [~~once a week for two~~
7 ~~consecutive weeks~~].

8 SECTION 5. Section 286.041, Health and Safety Code, is
9 amended to read as follows:

10 Sec. 286.041. BOARD OF DIRECTORS. The directors shall be
11 elected at large, by place, or by a combination of both, in
12 accordance with the petition prescribed by Section 286.021.

13 SECTION 6. Section 286.042, Health and Safety Code, is
14 amended to read as follows:

15 Sec. 286.042. DIRECTOR'S ELECTION. (a) The initial
16 directors shall be elected at an election to be held on the uniform
17 election date [~~first Saturday~~] in May following the creation of the
18 district.

19 (b) If the directors are elected at large for two-year
20 terms:

21 (1) the appropriate number of candidates receiving the
22 highest number of votes at the initial election of directors are
23 directors for the district;

24 (2) the number of directors equal to a majority of the
25 directors who receive the highest number of votes at the initial
26 election serve for a term of two years; and

27 (3) the remaining directors serve for a term of one

1 year.

2 (c) If the directors are elected by place for two-year
3 terms:

4 (1) the candidate for a place receiving the highest
5 number of votes for election to that place is a director for the
6 district;

7 (2) a director elected to fill an even-numbered place
8 at the initial election serves for a term of one year; and

9 (3) a director elected to fill an odd-numbered place
10 at the initial election serves for a term of two years.

11 (d) If the directors are elected from commissioners
12 precincts and at large for two-year terms:

13 (1) the number of candidates equal to the number of
14 directors to be elected from each precinct who receive the highest
15 number of votes from a commissioner precinct are directors for that
16 precinct;

17 (2) the number of candidates equal to the number of
18 directors to be elected at large who receive the highest number of
19 votes from the district at large are directors for the district at
20 large;

21 (3) a candidate elected from an odd-numbered precinct
22 at the initial election serves for a term of two years;

23 (4) a candidate elected from an even-numbered precinct
24 at the initial election serves for a term of one year;

25 (5) a candidate elected as the director from the
26 district at large at the initial election serves for a term of two
27 years; and

1 (6) if more than one director is elected at large, half
2 of the directors elected serve two-year terms, and the other half
3 serve one-year terms.

4 (d-1) If the directors are elected at large for four-year
5 terms:

6 (1) the appropriate number of candidates receiving the
7 highest number of votes at the initial election of directors are
8 directors for the district;

9 (2) the number of directors equal to a majority of the
10 directors who receive the highest number of votes at the initial
11 election serve for a term of three years if elected in an
12 odd-numbered year or four years if elected in an even-numbered
13 year; and

14 (3) the remaining directors serve for a term of one
15 year if elected in an odd-numbered year or two years if elected in
16 an even-numbered year.

17 (d-2) If the directors are elected by place for four-year
18 terms:

19 (1) the candidate for a place receiving the highest
20 number of votes for election to that place is a director for the
21 district;

22 (2) a director elected to fill an even-numbered place
23 at the initial election serves for a term of one year if elected in
24 an odd-numbered year or two years if elected in an even-numbered
25 year; and

26 (3) a director elected to fill an odd-numbered place
27 at the initial election serves for a term of three years if elected

1 in an odd-numbered year or four years if elected in an even-numbered
2 year.

3 (d-3) If the directors are elected from commissioners
4 precincts and at large for four-year terms:

5 (1) the number of candidates equal to the number of
6 directors to be elected from each precinct who receive the highest
7 number of votes from a commissioner precinct are directors for that
8 precinct;

9 (2) the number of candidates equal to the number of
10 directors to be elected at large who receive the highest number of
11 votes from the district at large are directors for the district at
12 large;

13 (3) a candidate elected from an odd-numbered precinct
14 at the initial election serves for a term of three years if elected
15 in an odd-numbered year or four years if elected in an even-numbered
16 year;

17 (4) a candidate elected from an even-numbered precinct
18 at the initial election serves for a term of one year if elected in
19 an odd-numbered year or two years if elected in an even-numbered
20 year;

21 (5) a candidate elected as the director from the
22 district at large at the initial election serves for a term of three
23 years if elected in an odd-numbered year or four years if elected in
24 an even-numbered year; and

25 (6) if more than one director is elected at large, half
26 of the directors elected at large serve for a term described by
27 Subdivision (4) for a candidate elected from an even-numbered

1 precinct, and the other half serve for a term described by
2 Subdivision (3) for a candidate elected from an odd-numbered
3 precinct.

4 (e) After the initial election of directors, an election
5 shall be held on the uniform election date [~~first Saturday~~] in May
6 of each year or every other year, as applicable, to elect the
7 appropriate number of successor directors for two-year terms or
8 four-year terms as specified in the petition to create the
9 district.

10 SECTION 7. Section 286.043, Health and Safety Code, is
11 amended to read as follows:

12 Sec. 286.043. NOTICE OF ELECTION. Notice [~~Before the 35th~~
13 ~~day before the date of an election of directors, notice~~] of an [~~the~~]
14 election shall be published [~~one time~~] in a newspaper with general
15 circulation in the district in accordance with Section 4.003,
16 Election Code.

17 SECTION 8. The heading to Section 286.044, Health and
18 Safety Code, is amended to read as follows:

19 Sec. 286.044. APPLICATION FOR PLACE ON BALLOT [~~PETITION~~].

20 SECTION 9. Section 286.044(a), Health and Safety Code, is
21 amended to read as follows:

22 (a) A person who wishes to have the person's name printed on
23 the ballot as a candidate for director must file an application with
24 the secretary of the board in accordance with Chapter 144, Election
25 Code.

26 SECTION 10. Section 286.053, Health and Safety Code, is
27 amended to read as follows:

1 Sec. 286.053. APPOINTMENTS TO STAFF. The board may:

2 (1) appoint to the staff any health care practitioners
3 ~~[doctors]~~ the board considers necessary for the efficient operation
4 of the district; and

5 (2) grant clinical privileges on a [make] temporary or
6 emergency basis as [appointments] the board considers necessary.

7 SECTION 11. Section 286.078(b), Health and Safety Code, is
8 amended to read as follows:

9 (b) The board may enter into a public work contract as
10 authorized under Chapter 2269, Government Code ~~[construction~~
11 ~~contracts that involve spending more than \$10,000 only after~~
12 ~~competitive bidding as provided by Subchapter B, Chapter 271, Local~~
13 ~~Government Code].~~

14 SECTION 12. Section 286.101(f), Health and Safety Code, is
15 amended to read as follows:

16 (f) ~~[The election shall be held after the 45th day and on or~~
17 ~~before the 60th day after the date the election is ordered.]~~ The
18 election shall be ordered and notice of the election shall be given
19 in the same manner as provided by Sections 286.024 and 286.025 for
20 ordering and giving notice of an election authorizing creation of
21 the district. Section 41.001(a), Election Code, does not apply to
22 an election held under this section.

23 SECTION 13. Section 286.102(c), Health and Safety Code, is
24 amended to read as follows:

25 (c) ~~[The election shall be held not later than the 60th day~~
26 ~~after the date the election is ordered.]~~ Section 41.001(a),
27 Election Code, does not apply to an election ordered under this

1 section.

2 SECTION 14. Section 286.129, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 286.129. SPENDING AND INVESTMENT LIMITATIONS. (a)
5 Except as provided by Sections [~~Section~~] 286.078(a), [~~and by~~
6 ~~Sections~~] 286.141, 286.144, and 286.145, and Chapter 315, the
7 district may not incur a debt payable from revenues of the district
8 other than the revenues on hand or to be on hand in the current and
9 immediately following fiscal year of the district.

10 (b) The board may invest operating, depreciation, or
11 building reserves only in investments authorized under Chapter
12 2256, Government Code [+

13 [~~(1) bonds of the United States,~~

14 [~~(2) certificates of indebtedness issued by the United~~
15 ~~States secretary of the treasury,~~

16 [~~(3) bonds of this state or a county, municipality, or~~
17 ~~school district of this state, or~~

18 [~~(4) shares or share accounts of savings and loan~~
19 ~~associations organized under the laws of this state or federal~~
20 ~~savings and loan associations domiciled in this state, if the~~
21 ~~shares or share accounts are insured by the Federal Deposit~~
22 ~~Insurance Corporation].~~

23 SECTION 15. Section 1023.054(a), Special District Local
24 Laws Code, is amended to read as follows:

25 (a) If a [A] vacancy occurs in the office of director, the
26 remaining directors shall appoint a director [~~shall be filled~~] for
27 the unexpired term [~~at the next regular election~~].

1 SECTION 16. Section 1070.111, Special District Local Laws
2 Code, is amended to read as follows:

3 Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction
4 contract that involves the expenditure of more than \$10,000 may be
5 made only after advertising in the manner provided by Chapter 252,
6 Local Government Code, or Subchapter B, Chapter 271, Local
7 Government Code [~~, or Section 286.078, Health and Safety Code~~].

8 SECTION 17. The following provisions of the Health and
9 Safety Code are repealed:

- 10 (1) Section 286.023(g);
11 (2) Section 286.025(b); and
12 (3) Section 286.044(b).

13 SECTION 18. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 3191 was passed by the House on May 12, 2023, by the following vote: Yeas 129, Nays 11, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3191 was passed by the Senate on May 24, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor