

AN ACT

relating to the powers, duties, taxing authority, and dissolution procedure of the Ballinger Memorial Hospital District.

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

SECTION 1. Section 4.04, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, is amended to read as follows:

Sec. 4.04. NOTICE OF ELECTION. Notice [~~At least 35 days before the date of an election of directors, notice~~] of the election shall be published one time in a newspaper with general circulation in the district in accordance with Section 4.003, Election Code.

SECTION 2. Section 4.05, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, is amended to read as follows:

Sec. 4.05. APPLICATION [~~PETITION~~]. [~~(a)~~] A person who wishes to have his or her name printed on the ballot as a candidate for director must file an application with the secretary of the board of directors in accordance with Chapter 144, Election Code [~~a petition signed by at least 10 registered voters of the district asking that his name be placed on the ballot. The determination of whether a person is a registered voter of the district shall be based on the most recent official list of registered voters~~].

[~~(b) The petition must be filed with the secretary not later than the 31st day before the date of the election.~~]

SECTION 3. Article 4, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987, is amended by adding Sections

1 4.18 and 4.19 to read as follows:

2 Sec. 4.18. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The  
3 board may spend district funds, enter into agreements, and take  
4 other necessary action to recruit physicians and other persons to  
5 serve as medical staff members or employees of the district,  
6 including:

7 (1) advertising and marketing;

8 (2) paying travel, recruitment, and relocation  
9 expenses;

10 (3) providing a loan or scholarship to a physician or a  
11 person currently enrolled in health care education courses at an  
12 institution of higher education who contractually agrees to become  
13 a district employee or medical staff member; or

14 (4) contracting with one or more full-time medical  
15 students or other students in a health occupation, who must be  
16 enrolled in and in good standing at an accredited medical school,  
17 college, or university, to pay the student's tuition or other  
18 expenses in consideration of the student's agreement to serve as an  
19 employee or independent contractor for the district.

20 Sec. 4.19. CREATION OF NONPROFIT CORPORATION. The district  
21 may sponsor and create a nonprofit corporation under the Texas  
22 Non-Profit Corporation Act (Article 1396-1.01, et seq., Vernon's  
23 Texas Civil Statutes) and may contribute funds to or solicit funds  
24 for the corporation. The corporation may use funds paid by the  
25 district only to provide health care or other services the district  
26 is authorized to provide under this Act. The board shall establish  
27 adequate controls to ensure that the corporation uses its funds as

1 required by this section. The corporation may invest corporation  
2 funds in any manner in which the district may invest funds,  
3 including investing funds as authorized by Chapter 2256, Government  
4 Code.

5 SECTION 4. Section 5.07, Chapter 137, Acts of the 70th  
6 Legislature, Regular Session, 1987, is amended to read as follows:

7 Sec. 5.07. CONSTRUCTION CONTRACTS. (a) The board may  
8 enter into construction contracts on behalf of the district;  
9 however, the board may enter into construction contracts in excess  
10 of the amount provided by Section 271.024, Local Government Code,  
11 only after competitive bidding as provided by Subchapter B, Chapter  
12 271, Local Government Code [~~that involve spending more than \$10,000~~  
13 ~~only after competitive bidding as provided by Chapter 770, Acts of~~  
14 ~~the 66th Legislature, Regular Session, 1979 (Article 2368a.3,~~  
15 ~~Vernon's Texas Civil Statutes)].~~

16 (b) Chapter 2253, Government Code [~~Article 5160, Revised~~  
17 ~~Statutes~~], as it relates to performance and payment bonds, applies  
18 to construction contracts of the district.

19 SECTION 5. Subsection (a), Section 5.11, Chapter 137, Acts  
20 of the 70th Legislature, Regular Session, 1987, is amended to read  
21 as follows:

22 (a) Not later than the first day [~~beginning~~] of each  
23 operating year, the district shall adopt an application procedure  
24 to determine eligibility for assistance, as provided by Section  
25 61.053, Health and Safety Code [~~10.03, Indigent Health Care and~~  
26 ~~Treatment Act (Article 4438f, Vernon's Texas Civil Statutes)].~~

27 SECTION 6. Subsection (a), Section 5.12, Chapter 137, Acts

1 of the 70th Legislature, Regular Session, 1987, is amended to read  
2 as follows:

3 (a) The board shall require reimbursement from a county,  
4 city, or public hospital located outside the boundaries of the  
5 district for the district's care and treatment of a sick, diseased,  
6 or injured person of that county, city, or public hospital as  
7 provided by Chapter 61, Health and Safety Code [~~the Indigent Health~~  
8 ~~Care and Treatment Act (Article 4438f, Vernon's Texas Civil~~  
9 ~~Statutes)]].~~

10 SECTION 7. Subsection (c), Section 7.03, Chapter 137, Acts  
11 of the 70th Legislature, Regular Session, 1987, is amended to read  
12 as follows:

13 (c) Notice of a bond election shall be given as provided by  
14 Chapter 1251, Government Code [~~Article 704, Revised Statutes~~].

15 SECTION 8. Subsection (c), Section 7.04, Chapter 137, Acts  
16 of the 70th Legislature, Regular Session, 1987, is amended to read  
17 as follows:

18 (c) The bonds must be issued in the manner provided by  
19 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
20 Code [~~8, 10, 11, 12, and 13, County Hospital Authority Act (Article~~  
21 ~~4494r, Vernon's Texas Civil Statutes)]], for issuance of revenue  
22 bonds by county hospital authorities.~~

23 SECTION 9. Section 7.05, Chapter 137, Acts of the 70th  
24 Legislature, Regular Session, 1987, is amended to read as follows:

25 Sec. 7.05. REFUNDING BONDS. (a) Refunding bonds of the  
26 district may be issued to refund and pay off an outstanding  
27 indebtedness the district has issued or assumed.

1 (b) The bonds must be issued in the manner provided by  
2 Chapter 1207, Government Code [~~784, Acts of the 61st Legislature,~~  
3 ~~Regular Session, 1969~~ (Article ~~717k-3, Vernon's Texas Civil~~  
4 ~~Statutes~~)].

5 [~~(c) The refunding bonds may be sold and the proceeds~~  
6 ~~applied to the payment of outstanding indebtedness or may be~~  
7 ~~exchanged in whole or in part for not less than a similar principal~~  
8 ~~amount of outstanding indebtedness. If the refunding bonds are to~~  
9 ~~be sold and the proceeds applied to the payment of outstanding~~  
10 ~~indebtedness, the refunding bonds must be issued and payments made~~  
11 ~~in the manner provided by Chapter 503, Acts of the 54th Legislature,~~  
12 ~~Regular Session, 1955~~ (Article ~~717k, Vernon's Texas Civil~~  
13 ~~Statutes~~).]

14 SECTION 10. Section 7.06, Chapter 137, Acts of the 70th  
15 Legislature, Regular Session, 1987, is amended to read as follows:

16 Sec. 7.06. INTEREST AND MATURITY. District bonds must  
17 mature not later than 50 years after the date of their issuance and  
18 must bear interest at a rate not to exceed that provided by Chapter  
19 1204, Government Code [~~3, Acts of the 61st Legislature, Regular~~  
20 ~~Session, 1969~~ (Article ~~717k-2, Vernon's Texas Civil Statutes~~)].

21 SECTION 11. Section 7.07, Chapter 137, Acts of the 70th  
22 Legislature, Regular Session, 1987, is amended to read as follows:

23 Sec. 7.07. EXECUTION OF BONDS. The president of the board  
24 shall execute the bonds in the name of the district, and the  
25 secretary of the board shall countersign the bonds in the manner  
26 provided by Chapter 618, Government Code [~~the Texas Uniform~~  
27 ~~Facsimile Signature of Public Officials Act~~ (Article ~~717j-1,~~

1 ~~Vernon's Texas Civil Statutes~~].

2 SECTION 12. Chapter 137, Acts of the 70th Legislature,  
3 Regular Session, 1987, is amended by adding Article 10 to read as  
4 follows:

5 ARTICLE 10. ELECTION TO RAISE MAXIMUM TAX RATE

6 Sec. 10.01. ORDERING ELECTION. (a) The board may order an  
7 election to raise the maximum tax rate of the district, not to  
8 exceed 75 cents on each \$100 of valuation on all taxable property in  
9 the district.

10 (b) On presentation of a petition for an election to raise  
11 the maximum tax rate of the district signed by at least 100  
12 registered voters of the district, according to the most recent  
13 official list of registered voters, the board shall order an  
14 election to be held. The petition must state the maximum tax rate  
15 to be voted on at the election, which may not exceed 75 cents on each  
16 \$100 of valuation on all taxable property in the district. The  
17 board by order shall set a time and place to hold a hearing on the  
18 petition to increase the maximum tax rate of the district. The  
19 board shall set a date for the hearing that is after the 10th day  
20 after the date the board issues the order. If, after the hearing,  
21 the board finds that the petition is in proper form and that an  
22 increase of the maximum tax rate would benefit the district, the  
23 board shall order an election to authorize the increase of the  
24 maximum tax rate of the district to the tax rate stated in the  
25 petition.

26 Sec. 10.02. ELECTION ORDER. The order calling the election  
27 must state:

1           (1) the nature of the election, including the  
2 proposition that is to appear on the ballot, including the maximum  
3 tax rate to be voted on at the election, which may not exceed 75  
4 cents on each \$100 of valuation on all taxable property in the  
5 district;

6           (2) the date of the election;

7           (3) the hours during which the polls will be open; and

8           (4) the location of the polling places.

9           Sec. 10.03. NOTICE. The board shall give notice of the  
10 election by publishing a substantial copy of the election order in a  
11 newspaper with general circulation in the district once a week for  
12 two consecutive weeks. The first publication must appear not later  
13 than the 35th day before the date set for the election.

14           Sec. 10.04. ELECTION DATE. The election shall be held not  
15 earlier than the 45th day and not later than the 60th day after the  
16 date on which the election is ordered. Section 41.001(a), Election  
17 Code, does not apply to an election ordered under this article.

18           Sec. 10.05. BALLOT PROPOSITION. The ballot for the  
19 election shall be printed to permit voting for or against the  
20 proposition: "The increase by the Ballinger Memorial Hospital  
21 District of the rate of levy of annual taxes for hospital purposes  
22 to a rate of levy not to exceed \_\_\_\_\_ (insert the amount  
23 determined by the Board or stated in the petition, not to exceed 75  
24 cents) cents on each \$100 of valuation on all taxable property in  
25 the district."

26           SECTION 13. Chapter 137, Acts of the 70th Legislature,  
27 Regular Session, 1987, is amended by adding Article 11 to read as

1 follows:

2 ARTICLE 11. DISSOLUTION OF DISTRICT

3 Sec. 11.01. DISSOLUTION ELECTION. (a) The district may be  
4 dissolved only if the dissolution is approved by a majority of the  
5 registered voters of the district voting in an election called and  
6 held for that purpose.

7 (b) The board may order an election on the question of  
8 dissolving the district and disposing of the district's assets and  
9 obligations.

10 (c) The board shall order an election if the board receives  
11 a petition requesting an election that is signed by a number of  
12 registered voters of the district equal to at least 15 percent of  
13 the registered voters in the district.

14 Sec. 11.02. ELECTION DATE. The election shall be held not  
15 later than the 60th day after the date the election is ordered.  
16 Section 41.001, Election Code, does not apply to an election  
17 ordered under this article.

18 Sec. 11.03. ELECTION ORDER. The order calling the election  
19 shall state:

20 (1) the nature of the election, including the  
21 proposition that is to appear on the ballot;

22 (2) the date of the election;

23 (3) the hours during which the polls will be open; and

24 (4) the location of the polling places.

25 Sec. 11.04. NOTICE OF ELECTION. The board shall give notice  
26 of the election by publishing a substantial copy of the election  
27 order in a newspaper with general circulation in the district once a



1 week for two consecutive weeks. The first publication must appear  
2 not later than the 35th day before the date set for the election.

3 Sec. 11.05. BALLOT. The ballot for the election shall be  
4 printed to permit voting for or against the proposition: "The  
5 dissolution of the Ballinger Memorial Hospital District."

6 Sec. 11.06. RESULTS OF ELECTION. If a majority of the votes  
7 in the election favor dissolution, the board shall order that the  
8 district be dissolved. If a majority of the votes in the election  
9 do not favor dissolution, the board shall continue to administer  
10 the district, and another election on the question of dissolution  
11 may not be held before the first anniversary of the most recent  
12 election to dissolve the district.

13 Sec. 11.07. TRANSFER OF ASSETS AFTER DISSOLUTION. (a) If  
14 a majority of the votes in the election favor dissolution, the board  
15 shall:

16 (1) transfer the land, buildings, improvements,  
17 equipment, and other assets belonging to the district to a county or  
18 another governmental entity in the county in which the district is  
19 located; or

20 (2) administer the property, assets, and debts of the  
21 district until all funds have been disposed of and all district  
22 debts have been paid or settled.

23 (b) If the district transfers the land, buildings,  
24 improvements, equipment, and other assets to a county or other  
25 governmental entity, the county or entity assumes all debts and  
26 obligations of the district at the time of the transfer, at which  
27 time the district is dissolved.

1       Sec. 11.08. ADMINISTRATION OF PROPERTY, DEBTS, AND ASSETS  
2 AFTER DISSOLUTION. (a) If the district does not transfer the  
3 land, buildings, improvements, equipment, and other assets to a  
4 county or other governmental entity, the board shall administer the  
5 property, assets, and debts of the district until all funds have  
6 been disposed of and all district debts have been paid or settled,  
7 at which time the district is dissolved.

8       (b) After the board finds that the district is dissolved,  
9 the board shall:

10           (1) determine the debt owed by the district; and

11           (2) impose on the property included in the district's  
12 tax rolls a tax that is in proportion of the debt to the property  
13 value.

14       Sec. 11.09. RETURN OF SURPLUS TAX MONEY. (a) When all  
15 outstanding debts and obligations of the district are paid, the  
16 board shall order the secretary to return to each district taxpayer  
17 the taxpayer's pro rata share of all unused tax money.

18       (b) A taxpayer may request that the taxpayer's share of  
19 surplus tax money be credited to the taxpayer's county taxes. If a  
20 taxpayer requests the credit, the board shall direct the secretary  
21 to transmit the funds to the county tax assessor-collector.

22       Sec. 11.10. REPORT; DISSOLUTION ORDER. (a) After the  
23 district has paid all its debts and has disposed of all its assets  
24 and funds as prescribed by this article, the board shall file a  
25 written report with the Commissioners Court of Runnels County  
26 setting forth a summary of the board's actions in dissolving the  
27 district.

1           (b) Not later than the 10th day after the date it receives  
2 the report and determines that the requirements of this article  
3 have been fulfilled, the Commissioners Court of Runnels County  
4 shall enter an order dissolving the district and releasing the  
5 board from any further duty or obligation.

6           SECTION 14. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2003.

S.B. No. 1019

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1019 passed the Senate on May 15, 2003, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1019 passed the House on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor