

1-1 By: Duncan S.B. No. 1019
1-2 (In the Senate - Filed March 7, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 6, 2003, reported favorably by the following vote:
1-5 Yeas 4, Nays 0; May 6, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the powers, duties, taxing authority, and dissolution
1-9 procedure of the Ballinger Memorial Hospital District.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 4.04, Chapter 137, Acts of the 70th
1-12 Legislature, Regular Session, 1987, is amended to read as follows:

1-13 Sec. 4.04. NOTICE OF ELECTION. Notice [~~At least 35 days~~
1-14 ~~before the date of an election of directors, notice~~] of the election
1-15 shall be published one time in a newspaper with general circulation
1-16 in the district in accordance with Section 4.003, Election Code.

1-17 SECTION 2. Section 4.05, Chapter 137, Acts of the 70th
1-18 Legislature, Regular Session, 1987, is amended to read as follows:

1-19 Sec. 4.05. APPLICATION [~~PETITION~~]. [~~(a)~~] A person who
1-20 wishes to have his or her name printed on the ballot as a candidate
1-21 for director must file an application with the secretary of the
1-22 board of directors in accordance with Chapter 144, Election Code [~~a~~
1-23 ~~petition signed by at least 10 registered voters of the district~~
1-24 ~~asking that his name be placed on the ballot. The determination of~~
1-25 ~~whether a person is a registered voter of the district shall be~~
1-26 ~~based on the most recent official list of registered voters].~~

1-27 [~~(b) The petition must be filed with the secretary not later~~
1-28 ~~than the 31st day before the date of the election.]~~

1-29 SECTION 3. Article 4, Chapter 137, Acts of the 70th
1-30 Legislature, Regular Session, 1987, is amended by adding Sections
1-31 4.18 and 4.19 to read as follows:

1-32 Sec. 4.18. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. The
1-33 board may spend district funds, enter into agreements, and take
1-34 other necessary action to recruit physicians and other persons to
1-35 serve as medical staff members or employees of the district,
1-36 including:

1-37 (1) advertising and marketing;
1-38 (2) paying travel, recruitment, and relocation
1-39 expenses;

1-40 (3) providing a loan or scholarship to a physician or a
1-41 person currently enrolled in health care education courses at an
1-42 institution of higher education who contractually agrees to become
1-43 a district employee or medical staff member; or

1-44 (4) contracting with one or more full-time medical
1-45 students or other students in a health occupation, who must be
1-46 enrolled in and in good standing at an accredited medical school,
1-47 college, or university, to pay the student's tuition or other
1-48 expenses in consideration of the student's agreement to serve as an
1-49 employee or independent contractor for the district.

1-50 Sec. 4.19. CREATION OF NONPROFIT CORPORATION. The district
1-51 may sponsor and create a nonprofit corporation under the Texas
1-52 Non-Profit Corporation Act (Article 1396-1.01, et seq., Vernon's
1-53 Texas Civil Statutes) and may contribute funds to or solicit funds
1-54 for the corporation. The corporation may use funds paid by the
1-55 district only to provide health care or other services the district
1-56 is authorized to provide under this Act. The board shall establish
1-57 adequate controls to ensure that the corporation uses its funds as
1-58 required by this section. The corporation may invest corporation
1-59 funds in any manner in which the district may invest funds,
1-60 including investing funds as authorized by Chapter 2256, Government
1-61 Code.

1-62 SECTION 4. Section 5.07, Chapter 137, Acts of the 70th
1-63 Legislature, Regular Session, 1987, is amended to read as follows:

1-64 Sec. 5.07. CONSTRUCTION CONTRACTS. (a) The board may

2-1 enter into construction contracts on behalf of the district;
 2-2 however, the board may enter into construction contracts in excess
 2-3 of the amount provided by Section 271.024, Local Government Code,
 2-4 only after competitive bidding as provided by Subchapter B, Chapter
 2-5 271, Local Government Code [that involve spending more than \$10,000
 2-6 only after competitive bidding as provided by Chapter 770, Acts of
 2-7 the 66th Legislature, Regular Session, 1979 (Article 2368a.3,
 2-8 Vernon's Texas Civil Statutes)].

2-9 (b) Chapter 2253, Government Code [Article 5160, Revised
 2-10 Statutes], as it relates to performance and payment bonds, applies
 2-11 to construction contracts of the district.

2-12 SECTION 5. Subsection (a), Section 5.11, Chapter 137, Acts
 2-13 of the 70th Legislature, Regular Session, 1987, is amended to read
 2-14 as follows:

2-15 (a) Not later than the first day [beginning] of each
 2-16 operating year, the district shall adopt an application procedure
 2-17 to determine eligibility for assistance, as provided by Section
 2-18 61.053, Health and Safety Code [10.03, Indigent Health Care and
 2-19 Treatment Act (Article 4438f, Vernon's Texas Civil Statutes)].

2-20 SECTION 6. Subsection (a), Section 5.12, Chapter 137, Acts
 2-21 of the 70th Legislature, Regular Session, 1987, is amended to read
 2-22 as follows:

2-23 (a) The board shall require reimbursement from a county,
 2-24 city, or public hospital located outside the boundaries of the
 2-25 district for the district's care and treatment of a sick, diseased,
 2-26 or injured person of that county, city, or public hospital as
 2-27 provided by Chapter 61, Health and Safety Code [the Indigent Health
 2-28 Care and Treatment Act (Article 4438f, Vernon's Texas Civil
 2-29 Statutes)].

2-30 SECTION 7. Subsection (c), Section 7.03, Chapter 137, Acts
 2-31 of the 70th Legislature, Regular Session, 1987, is amended to read
 2-32 as follows:

2-33 (c) Notice of a bond election shall be given as provided by
 2-34 Chapter 1251, Government Code [Article 704, Revised Statutes].

2-35 SECTION 8. Subsection (c), Section 7.04, Chapter 137, Acts
 2-36 of the 70th Legislature, Regular Session, 1987, is amended to read
 2-37 as follows:

2-38 (c) The bonds must be issued in the manner provided by
 2-39 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
 2-40 Code [8, 10, 11, 12, and 13, County Hospital Authority Act (Article
 2-41 4494r, Vernon's Texas Civil Statutes)], for issuance of revenue
 2-42 bonds by county hospital authorities.

2-43 SECTION 9. Section 7.05, Chapter 137, Acts of the 70th
 2-44 Legislature, Regular Session, 1987, is amended to read as follows:

2-45 Sec. 7.05. REFUNDING BONDS. (a) Refunding bonds of the
 2-46 district may be issued to refund and pay off an outstanding
 2-47 indebtedness the district has issued or assumed.

2-48 (b) The bonds must be issued in the manner provided by
 2-49 Chapter 1207, Government Code [784, Acts of the 61st Legislature,
 2-50 Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil
 2-51 Statutes)].

2-52 [~~(c) The refunding bonds may be sold and the proceeds~~
 2-53 ~~applied to the payment of outstanding indebtedness or may be~~
 2-54 ~~exchanged in whole or in part for not less than a similar principal~~
 2-55 ~~amount of outstanding indebtedness. If the refunding bonds are to~~
 2-56 ~~be sold and the proceeds applied to the payment of outstanding~~
 2-57 ~~indebtedness, the refunding bonds must be issued and payments made~~
 2-58 ~~in the manner provided by Chapter 503, Acts of the 54th Legislature,~~
 2-59 ~~Regular Session, 1955 (Article 717k, Vernon's Texas Civil~~
 2-60 ~~Statutes).]~~

2-61 SECTION 10. Section 7.06, Chapter 137, Acts of the 70th
 2-62 Legislature, Regular Session, 1987, is amended to read as follows:

2-63 Sec. 7.06. INTEREST AND MATURITY. District bonds must
 2-64 mature not later than 50 years after the date of their issuance and
 2-65 must bear interest at a rate not to exceed that provided by Chapter
 2-66 1204, Government Code [3, Acts of the 61st Legislature, Regular
 2-67 Session, 1969 (Article 717k-2, Vernon's Texas Civil Statutes)].

2-68 SECTION 11. Section 7.07, Chapter 137, Acts of the 70th
 2-69 Legislature, Regular Session, 1987, is amended to read as follows:

3-1 Sec. 7.07. EXECUTION OF BONDS. The president of the board
3-2 shall execute the bonds in the name of the district, and the
3-3 secretary of the board shall countersign the bonds in the manner
3-4 provided by Chapter 618, Government Code [the Texas Uniform
3-5 Facsimile Signature of Public Officials Act (Article 717j-1,
3-6 Vernon's Texas Civil Statutes)].

3-7 SECTION 12. Chapter 137, Acts of the 70th Legislature,
3-8 Regular Session, 1987, is amended by adding Article 10 to read as
3-9 follows:

3-10 ARTICLE 10. ELECTION TO RAISE MAXIMUM TAX RATE

3-11 Sec. 10.01. ORDERING ELECTION. (a) The board may order an
3-12 election to raise the maximum tax rate of the district, not to
3-13 exceed 75 cents on each \$100 of valuation on all taxable property in
3-14 the district.

3-15 (b) On presentation of a petition for an election to raise
3-16 the maximum tax rate of the district signed by at least 100
3-17 registered voters of the district, according to the most recent
3-18 official list of registered voters, the board shall order an
3-19 election to be held. The petition must state the maximum tax rate
3-20 to be voted on at the election, which may not exceed 75 cents on each
3-21 \$100 of valuation on all taxable property in the district. The
3-22 board by order shall set a time and place to hold a hearing on the
3-23 petition to increase the maximum tax rate of the district. The
3-24 board shall set a date for the hearing that is after the 10th day
3-25 after the date the board issues the order. If, after the hearing,
3-26 the board finds that the petition is in proper form and that an
3-27 increase of the maximum tax rate would benefit the district, the
3-28 board shall order an election to authorize the increase of the
3-29 maximum tax rate of the district to the tax rate stated in the
3-30 petition.

3-31 Sec. 10.02. ELECTION ORDER. The order calling the election
3-32 must state:

- 3-33 (1) the nature of the election, including the
- 3-34 proposition that is to appear on the ballot, including the maximum
- 3-35 tax rate to be voted on at the election, which may not exceed 75
- 3-36 cents on each \$100 of valuation on all taxable property in the
- 3-37 district;
- 3-38 (2) the date of the election;
- 3-39 (3) the hours during which the polls will be open; and
- 3-40 (4) the location of the polling places.

3-41 Sec. 10.03. NOTICE. The board shall give notice of the
3-42 election by publishing a substantial copy of the election order in a
3-43 newspaper with general circulation in the district once a week for
3-44 two consecutive weeks. The first publication must appear not later
3-45 than the 35th day before the date set for the election.

3-46 Sec. 10.04. ELECTION DATE. The election shall be held not
3-47 earlier than the 45th day and not later than the 60th day after the
3-48 date on which the election is ordered. Section 41.001(a), Election
3-49 Code, does not apply to an election ordered under this article.

3-50 Sec. 10.05. BALLOT PROPOSITION. The ballot for the
3-51 election shall be printed to permit voting for or against the
3-52 proposition: "The increase by the Ballinger Memorial Hospital
3-53 District of the rate of levy of annual taxes for hospital purposes
3-54 to a rate of levy not to exceed _____ (insert the amount
3-55 determined by the Board or stated in the petition, not to exceed 75
3-56 cents) cents on each \$100 of valuation on all taxable property in
3-57 the district."

3-58 SECTION 13. Chapter 137, Acts of the 70th Legislature,
3-59 Regular Session, 1987, is amended by adding Article 11 to read as
3-60 follows:

3-61 ARTICLE 11. DISSOLUTION OF DISTRICT

3-62 Sec. 11.01. DISSOLUTION ELECTION. (a) The district may be
3-63 dissolved only if the dissolution is approved by a majority of the
3-64 registered voters of the district voting in an election called and
3-65 held for that purpose.

3-66 (b) The board may order an election on the question of
3-67 dissolving the district and disposing of the district's assets and
3-68 obligations.

3-69 (c) The board shall order an election if the board receives

4-1 a petition requesting an election that is signed by a number of
4-2 registered voters of the district equal to at least 15 percent of
4-3 the registered voters in the district.

4-4 Sec. 11.02. ELECTION DATE. The election shall be held not
4-5 later than the 60th day after the date the election is ordered.
4-6 Section 41.001, Election Code, does not apply to an election
4-7 ordered under this article.

4-8 Sec. 11.03. ELECTION ORDER. The order calling the election
4-9 shall state:

4-10 (1) the nature of the election, including the
4-11 proposition that is to appear on the ballot;

4-12 (2) the date of the election;

4-13 (3) the hours during which the polls will be open; and

4-14 (4) the location of the polling places.

4-15 Sec. 11.04. NOTICE OF ELECTION. The board shall give notice
4-16 of the election by publishing a substantial copy of the election
4-17 order in a newspaper with general circulation in the district once a
4-18 week for two consecutive weeks. The first publication must appear
4-19 not later than the 35th day before the date set for the election.

4-20 Sec. 11.05. BALLOT. The ballot for the election shall be
4-21 printed to permit voting for or against the proposition: "The
4-22 dissolution of the Ballinger Memorial Hospital District."

4-23 Sec. 11.06. RESULTS OF ELECTION. If a majority of the votes
4-24 in the election favor dissolution, the board shall order that the
4-25 district be dissolved. If a majority of the votes in the election
4-26 do not favor dissolution, the board shall continue to administer
4-27 the district, and another election on the question of dissolution
4-28 may not be held before the first anniversary of the most recent
4-29 election to dissolve the district.

4-30 Sec. 11.07. TRANSFER OF ASSETS AFTER DISSOLUTION. (a) If
4-31 a majority of the votes in the election favor dissolution, the board
4-32 shall:

4-33 (1) transfer the land, buildings, improvements,
4-34 equipment, and other assets belonging to the district to a county or
4-35 another governmental entity in the county in which the district is
4-36 located; or

4-37 (2) administer the property, assets, and debts of the
4-38 district until all funds have been disposed of and all district
4-39 debts have been paid or settled.

4-40 (b) If the district transfers the land, buildings,
4-41 improvements, equipment, and other assets to a county or other
4-42 governmental entity, the county or entity assumes all debts and
4-43 obligations of the district at the time of the transfer, at which
4-44 time the district is dissolved.

4-45 Sec. 11.08. ADMINISTRATION OF PROPERTY, DEBTS, AND ASSETS
4-46 AFTER DISSOLUTION. (a) If the district does not transfer the
4-47 land, buildings, improvements, equipment, and other assets to a
4-48 county or other governmental entity, the board shall administer the
4-49 property, assets, and debts of the district until all funds have
4-50 been disposed of and all district debts have been paid or settled,
4-51 at which time the district is dissolved.

4-52 (b) After the board finds that the district is dissolved,
4-53 the board shall:

4-54 (1) determine the debt owed by the district; and

4-55 (2) impose on the property included in the district's
4-56 tax rolls a tax that is in proportion of the debt to the property
4-57 value.

4-58 Sec. 11.09. RETURN OF SURPLUS TAX MONEY. (a) When all
4-59 outstanding debts and obligations of the district are paid, the
4-60 board shall order the secretary to return to each district taxpayer
4-61 the taxpayer's pro rata share of all unused tax money.

4-62 (b) A taxpayer may request that the taxpayer's share of
4-63 surplus tax money be credited to the taxpayer's county taxes. If a
4-64 taxpayer requests the credit, the board shall direct the secretary
4-65 to transmit the funds to the county tax assessor-collector.

4-66 Sec. 11.10. REPORT; DISSOLUTION ORDER. (a) After the
4-67 district has paid all its debts and has disposed of all its assets
4-68 and funds as prescribed by this article, the board shall file a
4-69 written report with the Commissioners Court of Runnels County

5-1 setting forth a summary of the board's actions in dissolving the
5-2 district.

5-3 (b) Not later than the 10th day after the date it receives
5-4 the report and determines that the requirements of this article
5-5 have been fulfilled, the Commissioners Court of Runnels County
5-6 shall enter an order dissolving the district and releasing the
5-7 board from any further duty or obligation.

5-8 SECTION 14. This Act takes effect immediately if it
5-9 receives a vote of two-thirds of all the members elected to each
5-10 house, as provided by Section 39, Article III, Texas Constitution.
5-11 If this Act does not receive the vote necessary for immediate
5-12 effect, this Act takes effect September 1, 2003.

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