

BILL ANALYSIS

H.B. 1017
By: Laney
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Act creating the Lockney General Hospital District (district) was passed by the 63rd Legislature in 1973 and has not been amended since that time. The district's enabling legislation requires updating to conform to current laws. The district would like to revise the legislation to prohibit a district employee from serving on the board of directors. The district would also like to allow the board to spend district funds for recruitment of health care practitioners. Also, the district would like to amend its enabling legislation to put procedures in place for the dissolution of the district.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 4, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by removing outdated language related to the creation of the district, and providing that a regular election for directors be held on the May uniform election date in accordance with the Election Code. It also adds that any person who is resident voter of the district and not an employee of the district is eligible to be a director.

SECTION 2. Amends Section 5, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, makes some nonsubstantive changes to some outdated language. It authorizes the board to pay for the administrator's bond with district funds, and clarifies that the board of directors may appoint physicians, dentists, and podiatrists to the medical staff. The bill further amends the enabling legislation by authorizing the board to spend the district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include advertising and marketing; paying travel, recruitment, and relocation expenses; providing a loan or scholarship to a physician or a person currently enrolled in health care education courses who contracts to become a medical staff member or district employee; or contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district. The bill further updates the reference to Chapter 2253 of the Government Code regarding investment of public funds.

SECTION 3. Amends Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by adding Section 5A, which authorizes that district to create and sponsor a nonprofit corporation and contribute money to or solicit money for the corporation.

On or before December 31, 2009, the district is authorized to create and sponsor a nonprofit corporation under the Texas Non-Profit Corporation Act or the Business Organizations Code and contribute money to or solicit money for the corporation. This provision expires on December 31, 2009.

A corporation created is authorized to use money contributed by the district only to provide health care or other services the district is authorized to provide.

The corporation is authorized to invest its money in any manner in which the district is authorized to invest its money.

The board is required to establish controls to ensure that the corporation uses its money as required by this section.

SECTION 4. Amends Section 7, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by clarifying the requirements for the issuance of general obligation bonds. The bill further updates the reference to Chapter 1251 of the Government Code regarding a bond election.

SECTION 5. Amends Section 8, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by updating the reference to Chapter 1207 of the Government Code regarding the issuance of refunding bonds. The bill updates the reference to Chapter 1204 of the Government Code regarding interest rate of refunding bonds. The bill updates the references to Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049 of the Health and Safety Code regarding the issuance of revenue bonds.

SECTION 6. Amends Section 9, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, to provide that bonds of the district must mature no later than the 40th anniversary of the date of issuance and must bear a rate of interest that does not exceed the amount provided by Chapter 1204, Government Code. The bill updates the reference to Chapter 618 of the Government Code regarding the signing of bonds.

SECTION 7. Amends Section 11, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, to provide that the board may enter into a construction contract in excess of the amount prescribed by Section 271.024 of the Local Government Code only after competitive bidding as required by Subchapter B, Chapter 271 of the Local Government Code. The bill further updates the reference to Chapter 2253 of the Government Code.

SECTION 8. Amends Section 15, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by updating the reference to Section 21.021 of the Property Code regarding eminent domain.

SECTION 9. Amends Section 16, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, to provide that the Tax Code governs the appraisal, assessment, and collection of district taxes. The board is authorized to provide for the appointment of a tax assessor-collector for the district of contract for the assessment and collection of taxes as provided by the Tax Code.

SECTION 10. Amends Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, by adding Section 27, which allows for the dissolution of the district if the dissolution is approved by a majority of the registered voters of the district, and establishes procedures for such dissolution.

SECTION 11. Repeals Sections 3 and 23, Chapter 58, Acts of the 63rd Legislature, Regular Session, 1973, regarding the initial board of directors and the election to create the district.

SECTION 12. Effective Date

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.