

BILL ANALYSIS

Senate Research Center
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H.B. 2814
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Act creating the Sweeny Hospital District was passed by the 58th Legislature in 1963 and minor amendments were made in 1967, 1973, and 1995.

As proposed, S.B. 1380 updates the enabling legislation to conform with current laws and to put in place procedures for the dissolution of the district only upon approval of the district's voters. The bill also prohibits a district employee from serving on the board of directors.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by deleting provisions regarding the election to originally establish the Sweeny Hospital District (district).

SECTION 2. Amends Section 3, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, as follows:

Sec. 3. (a) Creates this subsection from existing text. Provides that the board of directors (board) of the district consists of seven persons. Deletes provisions regarding the original appointed directors and the first elected directors. Provides that the term of office of a director is two years. Provides that the minimum age of a director is 18, rather than 21. Prohibits an employee of the district from serving as a director.

(b) Creates this subsection from existing text. Authorizes the board to elect or appoint officers in addition to the positions of president and secretary. Requires the board to prescribe the powers and duties of any officer position created under this subsection in addition to the positions of president and secretary.

(c) Creates this subsection from existing text. Provides that the regular election of directors is the May uniform election date under Section 41.001 (Uniform Election Dates), Election Code, rather than the first Saturday in May. Requires notice of the election to be published in accordance with Section 4.003 (Method of Giving Notice), Election Code, rather than once by a certain date. Requires a candidate for director to file an application with the board secretary in accordance with Chapter 144 (Candidate for Office of Political Subdivision Other Than County or City), Election Code, rather than file a petition signed by 25 voters by a certain date.

SECTION 3. Amends Section 5, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, as follows:

Sec. 5. (a) Creates this subsection from existing text. Deletes existing provisions governing the appraisal, assessment, and collection of district taxes.

(b) Provides that the Tax Code governs the appraisal, assessment, and collection of district taxes.

(c) Authorizes the board to provide for the appointment of a tax assessor-collector for the district, or to contract for the assessment and collection of taxes, as provided by the Tax Code.

SECTION 4. Amends Section 6, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, as follows:

Sec. 6. (a) Creates this subsection from existing text. Specifies that the board may issue general obligation bonds, rather than bonds in general, and that taxes collected to pay the principal of and interest on the bonds must not exceed 75 cents on each \$100 valuation.

(b) Creates this subsection from existing text.

(c) Creates this subsection from existing text. Specifies that general obligation bonds may not be issued by the district until authorized by a majority of the qualified voters of the district. Provides that the election must be ordered by the board in accordance with Chapter 1251 (Bond Elections), Government Code, rather than according to certain specifications. Requires that notice of the election be given as provided by Chapter 1251 (Bond Elections), Government Code, rather than according to certain specifications and by a certain date.

(d) Creates this subsection from existing text. Authorizes the board to issue refunding bonds in accordance with Chapter 1207 (Refunding Bonds), Government Code, to refund any outstanding bonds issued by the district. Deletes provisions containing outdated language.

(e) Authorizes the board to issue revenue bonds to purchase, construct, acquire, repair, remove, or equip buildings, sites, or improvements for district purposes. Requires that the bonds be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system. Provides that revenue bonds issued under this subsection may be additionally secured by a mortgage or deed of trust lien on all or part of the district property. Requires that the revenue bonds be issued in the manner provided by certain sections of the Health and Safety Code.

SECTION 5. Amends Section 7, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by creating Subsections (a) - (c) from existing text and adding Subsection (d) to authorize the board to spend district funds, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or employees of the district, including certain persons.

SECTION 6. Amends Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by adding Section 7A, as follows:

Sec. 7A. (a) Authorizes the district to create and sponsor a nonprofit corporation under the Business Organizations Code and to contribute money to or solicit money for the corporation.

(a-1) Authorizes the district, on or before December 31, 2009, to create and sponsor a nonprofit corporation under the Texas Non-Profit Corporation Act (Article 1396-1.01, et seq., V.T.C.S.) or the Business Organizations Code, as applicable, and to contribute money to or solicit money for the corporation.

(b) Authorizes a corporation created under this section to use money contributed by the district only to provide health care or other services the district is authorized to provide under this Act.

(c) Authorizes the corporation to invest its money in any manner in which the district may invest the district's money.

(d) Requires the board to establish certain controls.

(e) Provides that this subsection and Subsection (a-1) expire December 31, 2009.

SECTION 7. Amends Section 8, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, as follows:

Sec. 8. (a) Provides that the district operates on the fiscal year established by the board. Prohibits the fiscal year from being changed if revenue bonds are outstanding or more than once in a 24-month period. Deletes a provision requiring that the fiscal year begin October 1 each year.

(b) Creates this subsection from existing text. Deletes requirement that the annual audit be filed with the comptroller of public accounts by a certain date.

(c) Creates this subsection from existing text. Specifies that any resident, rather than any taxpayer, of the district has the right to appear and be heard at a public budget hearing.

SECTION 8. Amends Section 9, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, to require the district to exercise the power of eminent domain in the manner provided by Chapter 21 (Eminent Domain), Property Code, except for a certain provision, rather than according to practices in place when the original Act was passed.

SECTION 9. Amends Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by adding Section 9A, as follows:

Sec. 9A. (a) Provides that the district may be dissolved only if the dissolution is approved by a majority of the registered voters of the district voting in an election held for that purpose.

(b) Authorizes the board to order an election on the question of dissolving the district and disposing of its assets and obligations. Requires the board to order an election if it receives a petition requesting an election that is signed by at least 15 percent of registered voters in the district.

(c) Requires that an election ordered under this section be held by a certain date. Provides that Section 41.001 (Uniform Election Dates), Election Code, does not apply to an election ordered under this section.

(d) Specifies what must be stated in the order calling an election under this section.

(e) Requires the board to give notice of the election according to certain requirements.

(f) Requires the ballot for the election to conform to certain wording.

(g) Requires the board, if a majority of the votes in the election favor dissolution, to find that the district is dissolved. Requires the board, if a majority of the votes in the election do not favor dissolution, to continue to administer the district and provides that another election on the question of dissolution may not be held for one year.

(h) Requires the board, upon a vote of dissolution, to take certain actions regarding the district's assets.

(i) Provides that if the district transfers the land, buildings, improvements, equipment, and other assets to Brazoria County or another governmental entity, the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(j) Provides that if the district does not transfer the land, buildings, improvements, equipment, and other assets to Brazoria County or another governmental entity, the board must administer the property, assets, and debts of the district until all funds have been disposed of and all district debts have been paid or settled, at which time the district is dissolved.

(k) Requires the board, after it finds that the district is dissolved, to determine any debt owed by the district and impose on the property include in the district's tax rolls a tax that is in proportion of the debt to the property value.

(l) Requires the board, when all outstanding debts and obligations of the district are paid, to order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(m) Provides that a taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. Requires the board, if the taxpayer requests the credit, to direct the secretary to transmit the money to the county tax assessor-collector.

(n) Requires the board, after the district has paid all its debts and has disposed of all its assets and money as prescribed by this section, to file a written report with the commissioners court of Brazoria County setting forth a summary of the board's actions in dissolving the district.

(o) Requires the commissioners court of Brazoria County, by a certain date, to enter an order dissolving the district and releasing the board from any further duty or obligation.

SECTION 10. Repealer: Section 6a, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963.

SECTION 11. Effective date: upon passage or September 1, 2005.