

BILL ANALYSIS

H.B. 2814
By: Bonnen
County Affairs
Committee Report (Unammended)

BACKGROUND AND PURPOSE

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. The district's enabling legislation requires updating to conform to current laws. H.B. 2814 prohibits a district employee from serving on the board of directors, and puts procedures in place for the dissolution of the district only upon approval of the district's voters.

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 Amends Section 2, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by removing certain outdated provisions regarding the election to create the district.

SECTION 2. Amends Section 3, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by removing certain outdated provisions regarding the temporary board of directors and the initial election of directors. It also clarifies that the board of directors consists of 7 persons elected by the voters. It adds that in order for a person to serve as a director, the person must be a resident of the district and at least 18 years of age. An employee of the district may not serve as a director.

Allows the board to elect or appoint other officers as the board determines necessary. The board is required to prescribe the powers and duties of any officer position in addition to the positions of president and secretary.

Provides that the district's annual election of directors will be held on the May uniform election date and revises certain other provisions regarding election to comply with the Election Code.

SECTION 3. Amends Section 5, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by removing some outdated provisions regarding district taxes. It is added that the Tax Code governs the appraisal, assessment, and collection of district taxes, and the board of directors is allowed to provide for the appointment of a tax assessor-collector for the district or 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 Amends Section 6, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by removing outdated language and clarifying the requirements of the issuance of general obligation bonds. General obligation bonds together with any other taxes levied for the district may not exceed 75 cents on each \$100 valuation.

Prohibits the district from issuing general obligation bonds until authorized by a majority of the qualified voters of the district. An election may be ordered by the board of directors and notice must be given in accordance with Chapter 1251, Government Code.

The board of directors is allowed to issue refunding bonds in accordance with Chapter 1207, Government Code, to refund any outstanding bonds issued by the district.

The board of directors is allowed to issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings, sites, or improvements for district purposes. The bonds must 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. The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property. The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code.

SECTION 5. Amends Section 7, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963 by authorizing the board of directors to spend district funds, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff or employees of the district, including advertising and marketing; paying travel, recruitment, and relocation expenses; providing a loan or scholarship to a physician or person currently enrolled in health care education courses who agrees to become a district employee or medical staff member; or contracting with one or more full-time medical students or other students in a health occupation, enrolled in and in good standing at an accredited medical school, to pay the student's tuition or other expenses in consideration of the student's agreement to serve as an employee or independent contractor for the district.

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

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 7. Amends Section 8, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by removing some outdated language and providing that the board establishes the fiscal year of the district, but it may not be changed if revenue bonds of the district are outstanding, or more than once in a 24-month period.

Additionally, it is clarified that any person who is a resident of the district has the right to appear and be heard at the annual hearing on the district's proposed budget.

SECTION 8. Amends Section 9, Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by updating the reference to Chapter 21, Property Code, regarding the power of eminent domain.

SECTION 9. Amends Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, by adding Section 9A which allows for the dissolution of the district if the dissolution is approved by a majority of the registered voters of the district.

The board of directors is authorized to order an election on the question of dissolving the district and disposing of the district's assets and obligations. The board is required to order an election if the board receives a petition, signed by at least 15 percent of the registered voters in the district, requesting an election.

The election is required to be held not later than the 60th day after the date the election is ordered.

The order calling for an election must state the nature of the election, including the proposition that is to appear on the ballot; the date of the election; the hours during which the polls will be open; and the location of the polling places.

The notice of the election is required to be published in a newspaper with general circulation in the district once a week for two consecutive weeks. The first publication must appear not later than the 35th day before the election date.

The ballot must permit voting for or against the proposition.

If a majority of the voters favor dissolution, the board of directors is required to find that the district is dissolved. If a majority of the voters do not favor dissolution, the board is required to continue to administer the district, and another election may not be held for one year.

If a majority of the votes favor dissolution, the board of directors is required to transfer the land, buildings, improvements, equipment, and other assets of the district to Brazoria County or another governmental entity in Brazoria County; or administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled, at which time the district is dissolved.

If the district transfers the assets, the county or entity assumes all debts and obligations of the district at the time of transfer, and the district is dissolved.

After the district is dissolved, the board is required to determine any debt owed by the district; and impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

When all outstanding debts and obligations are paid, the board is required to order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

A taxpayer may request that his or her share of surplus tax money be credited to his or her county taxes, in which case the secretary is directed to transmit the money to the county tax assessor-collector.

After all debts are paid and all assets and money are disposed of, the board of directors is required 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.

No later than the 10th day after the date it receives the report, the Commissioners Court of Brazoria County is required to enter an order dissolving the district and releasing the board of directors of the district from any further duty or obligation.

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

SECTION 11. Effective Date

EFFECTIVE DATE

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