

## **BILL ANALYSIS**

H.B. 2845  
By: Chisum  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Act creating the Childress County Hospital District (district) was passed by the 59th Legislature in 1965 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 take certain managerial actions. 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 647, Acts of the 59th Legislature, Regular Session, 1965, to provide that the district's annual election of directors will be held on the May uniform election date and to remove certain other provisions contrary to the Election Code. The bill further amends the enabling legislation to prohibit an employee of the district from serving as a director. The bill amends the enabling legislation to allow the appointment of a Board secretary who is not a director.

SECTION 2. Amends Section 5, Chapter 647, Acts of the 59th Legislature, Regular Session, to refer to the Chief Executive Officer of the district rather than the administrator or manager and to allow the board of directors to delegate to the CEO the authority to manage, control and administer the hospital and the business, funds and resources of the district under the oversight of the board. The bill further amends the enabling legislation to delete the requirement that the CEO post a bond. The bill amends the legislation to allow the board to authorize the CEO to employ the employees of the district. The bill authorizes the board to purchase or lease property, facilities and equipment for the district and to mortgage or pledge such property for payment of the purchase price. The bill authorizes the board to enter into a contract to provide administrative and other personnel for the operation of hospital facilities or to lease, sell or otherwise dispose of district property. The bill authorized to board to spend district money to recruit physicians, nurses and other medical personnel. The bill authorizes the board to file suit to enforce payment of taxes and to foreclose liens to secure payment of taxes. The bill authorizes the board to provide educational programs for employees and medical staff of the district. The bill authorizes the board to institute a suit to collect outstanding amounts owed to the district.

SECTION 3. Amends Section 6, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, to allow the board to establish that the fiscal year of the district. It may not be changed when revenue bonds are outstanding or more than one time ever 2 years.

SECTION 4. Amends Section 7, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, to clarify 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. The bill updates the reference to Chapter 1204 regarding the maturity and interest rate for district bonds. The bill updates the reference to Chapter 618 of the Government Code regarding the signing of bonds. The bill updates the reference to Chapter 1207 of the Government Code regarding issuance of refunding bonds. The bill authorizes the district to issue revenue bonds in

the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048 and 264.049 of the Health and Safety Code.

SECTION 5. Amends Section 11, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, 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 (COMPETITIVE BIDDING PROCEDURE APPLICABLE TO CONTRACT) only after competitive bidding as required by Subchapter B, Chapter 271 of the Local Government Code.

SECTION 6. Amends Section 12, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, to authorize the board to select a depository located outside of the district for the funds of the district. The bill further amends the enabling legislation to provide that membership on the district board of an officer or director of a bank disqualifies the bank from being designated as depository for the district's funds.

SECTION 7. Amends Section 16, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, to authorize the board of directors to annually impose property taxes not to exceed the limit approved by the voters. The tax rate for all purposes is prohibited from exceeding 75 cents on each \$100 valuation of all taxable property in the district. Authorizes that the taxes be used to pay for debt issued or assumed by the district and for the maintenance and operating expenses of the district. Prohibits the imposition of taxes to pay the principal of or interest on revenue bonds. Provides that the Tax Code governs the appraisal, assessment and collection of district taxes and that the district may appoint or contract with a tax assessor-collector.

SECTION 8. Amends Section 18, Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, by amending the wording regarding designation of indigent patients to be gender-neutral and to reflect other changes in the enabling legislation.

SECTION 9. Amends Chapter 647, Acts of the 59th Legislature, Regular Session, 1965, by adding Sections 20A, 20B, and 21A, by authorizing the board to borrow money for district obligations and to pledge district revenues, district taxes to be imposed in the next 12-month period, or district bonds that have not been sold. The bill further provides that a loan for which taxes or bonds are pledged must mature within one year of the date the loan is made; a loan for which revenues are pledged must mature within 5 years. The bill amends the enabling legislation to add a section allowing the dissolution of the district only upon the approval of the district voters and establishing procedures for such dissolution.

SECTION 10. Effective Date

**EFFECTIVE DATE**

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