

BILL ANALYSIS

H.B. 3486
By: Hardcastle
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Act creating the Nocona Hospital District (District) was passed by the 62nd Legislature in 1971 and has not been amended since that time. The District's enabling legislation requires updating to conform with current laws. Also, the District would like to amend its enabling legislation to put 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 Amends Section 4, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to remove certain outdated provisions regarding the temporary board of directors and the initial election of directors. The bill clarifies that the board of directors consists of 7 persons elected by the voters. The bill amends the enabling legislation to provide that the District's annual election of directors will be held on the May uniform election date and to revise certain other provisions regarding elections to comply with the Election Code.

SECTION 2. Amends Section 5, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to update the reference to the Texas Public Funds Investment Act, Chapter 2256, Government Code. The bill changes the references to the administrator of the District to the current title, the Chief Executive Officer of the District. The bill further deletes the requirement that the administrator execute a bond payable to the District.

SECTION 3. Amends Section 6, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to allow the board to establish the fiscal year of the District, and prohibits the board from changing the fiscal year if revenue bonds of the district are outstanding or more than once every two years. The bill further clarifies that residents of the District have the right to appear and be heard at the annual hearing on the District's proposed budget.

SECTION 4. Amends Section 7, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to clarify the requirements for the issuance of general obligation bonds. The bill revises the provisions regarding bond elections to comply with Chapter 1251 of the Government Code. The bill updates the references to Chapter 1207 of the Government Code regarding issuance of refunding bonds, Chapter 1204 of the Government Code regarding the rate of interest for bonds, and Chapter 618 regarding execution of bonds.

SECTION 5. Amends Section 9, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to update the reference to Sections 264.042, 264.043, 264.046, 264.047, 264.048 and 264.049 of the Health and Safety Code regarding revenue bonds.

SECTION 6. Amends Section 10, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to update outdated terminology regarding health care facilities. The bill further amends the enabling legislation 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 also updates the reference to Chapter 2253, Government Code, regarding performance and payment bonds.

SECTION 7. Amends Section 14, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to update the reference to Chapter 21, Property Code, regarding the power of eminent domain.

SECTION 8. Amends Section 15, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to clarify the board's authority to impose taxes and the purposes for such taxes. The bill further amends the enabling legislation to provide 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 9. Amends Section 17, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, to provide that the District will provide health care and treatment to indigent persons in accordance with policies and procedures adopted by the board.

SECTION 10. Amends Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 19A, which adds procedures for the dissolution of the District upon approval by the voters of the District. The district may be dissolved only if it is approved by a majority of the registered voters of the district voting in an election held for that purpose. The board is authorized to order an election on the question of dissolving the district. The board is required to order an election if the board receives a petition requesting an election signed by at least 15 percent of the registered voters of the district. An election is required to be held not later than the 60th day after the date the election is ordered. The order calling 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 board is required to give notice of the election by publishing a substantial copy of the order in a newspaper with general circulation in the district once a week for two consecutive weeks. First publication must appear not later than the 35th day before the date set for the election. The ballot must permit voting for or against the proposition. If a majority of the votes in the election favor dissolution, the board is required to find that the district is dissolved, transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Montague County; administer the property, assets, and debts until all money has been disposed of and all debts have been paid. If the majority of the votes in the election do not favor dissolution, the board is required to administer the district, and another election may not be held before the first anniversary of the most recent election. After the board finds that the district is dissolved, the board is required to determine any remaining debt owed by the district; 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 debts have been paid, the board is required to order the secretary to return a pro rata share of all unused tax money to each district taxpayer. A taxpayer is authorized to request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. After the district has paid all debts and disposed of all assets and money, the board is required to file a written report with the Commissioners Court of Montague County summarizing 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 Montague County is required to enter an order dissolving the district and releasing the board of directors from any further duty or obligation.

SECTION 11. Repeals Sections 3, 8, and 22, Chapter 868, Acts of the 62nd Legislature, Regular Session, 1971, regarding, respectively, the election to create the District, an optional bond election to be held at the same time as the election to create the District, and certain saving language regarding qualification of electors.

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.