

By: Keffer of Eastland

H.B. No. 3537

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the board of directors of the Palo Pinto County Hospital  
3 District.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 4, Chapter 84, Acts of the 59th  
6 Legislature, Regular Session, 1965, is amended by adding  
7 Subsections (a-1)-(a-5) to read as follows:

8 (a-1) In addition to the requirements prescribed by  
9 Subsection (a) of this section, a person is not eligible to serve on  
10 the Board of Directors if the person:

11 (1) has an ownership or investment interest, directly  
12 or indirectly, in a health care facility located in Palo Pinto  
13 County; or

14 (2) has an ownership interest, directly or in  
15 conjunction with another person or entity, in another business or  
16 entity related to health care that provides a good or service to the  
17 area served by the District that is the same as or substantially  
18 similar to a good or service provided by the District.

19 (a-2) Subsection (a-1) of this section does not apply to:

20 (1) an ownership or investment interest in publicly  
21 available shares of a registered investment company, such as a  
22 mutual fund, that owns publicly traded equity securities or debt  
23 obligations issued by a health care facility or another business or  
24 entity related to health care described by Subsection (a-1) of this

1 section or by an entity that owns the health care facility,  
2 business, or entity; or

3 (2) a physician's ownership interest in the  
4 physician's own medical practice.

5 (a-3) It is a ground for removal from the Board of Directors  
6 that a member violates a prohibition established by Subsection  
7 (a-1) of this section.

8 (a-4) The validity of an action of the Board of Directors is  
9 not affected by the fact that the action is taken when a ground for  
10 removal of a member of the Board of Directors exists.

11 (a-5) A member of the Board of Directors may be removed for a  
12 ground provided by Subsection (a-3) of this section, using the  
13 procedures provided by Subchapter B, Chapter 87, Local Government  
14 Code, for removing a county official.

15 SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2005.