

AN ACT

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

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

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

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

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

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

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

(1) an ownership or investment interest in publicly available shares of a registered investment company, such as a mutual fund, that owns publicly traded equity securities or debt obligations issued by a health care facility or another business or 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.

President of the Senate

Speaker of the House

I certify that H.B. No. 3537 was passed by the House on May 13, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3537 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor