

1-1 By: Keffer of Eastland (Senate Sponsor - Estes) H.B. No. 3537
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 21, 2005, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 21, 2005, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the board of directors of the Palo Pinto County Hospital
1-10 District.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 4, Chapter 84, Acts of the 59th
1-13 Legislature, Regular Session, 1965, is amended by adding
1-14 Subsections (a-1)-(a-5) to read as follows:

1-15 (a-1) In addition to the requirements prescribed by
1-16 Subsection (a) of this section, a person is not eligible to serve on
1-17 the Board of Directors if the person:

1-18 (1) has an ownership or investment interest, directly
1-19 or indirectly, in a health care facility located in Palo Pinto
1-20 County; or

1-21 (2) has an ownership interest, directly or in
1-22 conjunction with another person or entity, in another business or
1-23 entity related to health care that provides a good or service to the
1-24 area served by the District that is the same as or substantially
1-25 similar to a good or service provided by the District.

1-26 (a-2) Subsection (a-1) of this section does not apply to:

1-27 (1) an ownership or investment interest in publicly
1-28 available shares of a registered investment company, such as a
1-29 mutual fund, that owns publicly traded equity securities or debt
1-30 obligations issued by a health care facility or another business or
1-31 entity related to health care described by Subsection (a-1) of this
1-32 section or by an entity that owns the health care facility,
1-33 business, or entity; or

1-34 (2) a physician's ownership interest in the
1-35 physician's own medical practice.

1-36 (a-3) It is a ground for removal from the Board of Directors
1-37 that a member violates a prohibition established by Subsection
1-38 (a-1) of this section.

1-39 (a-4) The validity of an action of the Board of Directors is
1-40 not affected by the fact that the action is taken when a ground for
1-41 removal of a member of the Board of Directors exists.

1-42 (a-5) A member of the Board of Directors may be removed for a
1-43 ground provided by Subsection (a-3) of this section, using the
1-44 procedures provided by Subchapter B, Chapter 87, Local Government
1-45 Code, for removing a county official.

1-46 SECTION 2. This Act takes effect immediately if it receives
1-47 a vote of two-thirds of all the members elected to each house, as
1-48 provided by Section 39, Article III, Texas Constitution. If this
1-49 Act does not receive the vote necessary for immediate effect, this
1-50 Act takes effect September 1, 2005.

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