

By: Janek

S.B. No. 1380

A BILL TO BE ENTITLED

AN ACT

1 relating to the powers and duties of the Sweeny Hospital District.

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

3 SECTION 1. Section 2, Chapter 135, Acts of the 58th
4 Legislature, Regular Session, 1963, is amended to read as follows:

5 Sec. 2. The hospital district herein authorized to be
6 created, shall provide for the establishment of a hospital system
7 to furnish medical and hospital care to persons residing in said
8 hospital district by the purchase, construction, acquisition,
9 repair, or renovation of buildings and improvements; and the
10 equipping of same and the administration thereof for hospital
11 purposes. Such district shall assume full responsibility for
12 providing medical and hospital care for its needy inhabitants.

13 ~~[Such hospital district shall not be created nor shall such tax~~
14 ~~therein be authorized unless and until such creation and such taxes~~
15 ~~are approved by a majority of the qualified property taxpaying~~
16 ~~electors of the district voting in an election called for such~~
17 ~~purpose. Such election may be initiated by election judges, who~~
18 ~~shall be O. K. Hitchcock, Earl Wells, Bobby W. Brown, George~~
19 ~~Sparkman and Roy Walby upon their own motion or upon a petition of~~
20 ~~one hundred (100) resident qualified property taxpaying electors,~~
21 ~~residing within the boundaries of the proposed hospital district,~~
22 ~~to be held not less than thirty (30) days nor more than sixty (60)~~
23 ~~days from the time said election is ordered by the election judges.~~
24

1 ~~[The order calling the election shall specify the time and~~
2 ~~place or places of holding same, the form of ballot and the~~
3 ~~presiding judge for each voting place. At such election there shall~~
4 ~~be submitted to the qualified property taxpaying electors the~~
5 ~~proposition of whether or not Sweeny Hospital District shall be~~
6 ~~created with authority to levy annual taxes at a rate not to exceed~~
7 ~~seventy-five cents (75¢) on the One Hundred Dollar (\$100) valuation~~
8 ~~of all taxable property within such district for the purpose of~~
9 ~~meeting the requirements of the district's bonds and its~~
10 ~~maintenance and operating expenses, and a majority of the qualified~~
11 ~~property taxpaying electors of the district voting in said election~~
12 ~~in favor of the proposition shall be sufficient for its adoption.~~
13 ~~The ballots shall have printed thereon the following:~~

14 ~~["FOR the creation of the Sweeny Hospital District, providing~~
15 ~~for the levy of annual taxes not to exceed seventy-five cents (75¢)~~
16 ~~on the One Hundred Dollar (\$100) valuation of all taxable property~~
17 ~~within such District."]~~

18 ~~["AGAINST the creation of the Sweeny Hospital District,~~
19 ~~providing for the levy of annual taxes not to exceed seventy-five~~
20 ~~cents (75¢) on the One Hundred Dollar (\$100) valuation of all~~
21 ~~taxable property within such District."]~~

22 ~~[Notice of election shall be given by publishing a~~
23 ~~substantial copy of the election order in a newspaper of general~~
24 ~~circulation in Sweeny Hospital District once a week for two (2)~~
25 ~~consecutive weeks, the first publication to appear at least~~
26 ~~fourteen (14) days prior to the date established for the election.~~

27 ~~[The failure of any such election shall not operate to~~

1 ~~prohibit the calling and holding of subsequent elections for the~~
2 ~~same purpose.]~~

3 SECTION 2. Section 3, Chapter 135, Acts of the 58th
4 Legislature, Regular Session, 1963, is amended to read as follows:

5 Sec. 3. (a) The board of directors of the district
6 consists of seven persons elected as provided by this section.
7 Directors [~~Within ten (10) days after such election is held the~~
8 ~~election judges shall convene and canvass the returns of the~~
9 ~~election, and if a majority of the qualified property taxpaying~~
10 ~~electors voting at said election voted in favor of the proposition,~~
11 ~~they shall so find and declare the hospital district established~~
12 ~~and created and O. K. Hitchcock, Earl Wells, Bobby W. Brown, George~~
13 ~~Sparkman and Roy Walby shall be the directors of the district to~~
14 ~~serve until the first Saturday in April following the creation and~~
15 ~~establishment of the district at which time five (5) directors~~
16 ~~shall be elected. The three (3) directors receiving the highest~~
17 ~~vote at such first election shall serve for two (2) years, the other~~
18 ~~two (2) directors shall serve for one (1) year. On the effective~~
19 ~~date of this amendment, the board of directors shall appoint two (2)~~
20 ~~new members to the board, one (1) to serve until the first Saturday~~
21 ~~in April, 1974, and one (1) to serve until the first Saturday in~~
22 ~~April, 1975. Thereafter, all directors]~~ shall serve for a period of
23 two (2) years and until their successor has been duly elected or
24 appointed and qualified. No person shall be appointed or elected as
25 a director [~~member of the board of directors of said hospital~~
26 ~~district]~~ unless the person [~~he~~] is a resident of the district
27 [~~thereof]~~ and at least 18 [~~unless at the time of such election or~~

1 ~~appointment he shall be more than twenty-one (21)]~~ years of age. An
2 employee of the district may not serve as a director. Each director
3 ~~[member of the board of directors]~~ shall qualify by executing the
4 constitutional oath of office and shall execute a good and
5 sufficient bond for One Thousand Dollars (\$1,000) payable to said
6 district conditioned upon the faithful performance of the
7 director's ~~[his]~~ duties, and such oaths and bonds shall be
8 deposited with the depository bank of the district for safekeeping.

9 (b) The board of directors shall organize by electing one
10 (1) of their number as president and one (1) of their number as
11 secretary. The board may elect or appoint other officers as the
12 board determines are necessary. The board shall prescribe the
13 powers and duties of any officer position created under this
14 subsection in addition to the positions of president and secretary.

15 Any four (4) members of the board of directors shall constitute a
16 quorum and a concurrence of four (4) shall be sufficient in all
17 matters pertaining to the business of the district. All vacancies
18 in the office of director shall be filled for the unexpired term by
19 appointment of the remainder of the board of directors. In the
20 event the number of directors shall be reduced to less than four (4)
21 for any reason, the remaining directors shall immediately call a
22 special election to fill said vacancies, and upon failure to do so a
23 district court may, upon application of any voter or taxpayer of the
24 district, issue a mandate requiring that such election be ordered
25 by the remaining directors.

26 (c) A regular election of directors shall be held on the
27 ~~[first Saturday in]~~ May uniform election date under Section 41.001,

1 Election Code, ~~[of]~~ each year. Notice ~~[and notice]~~ of the ~~[such]~~
2 election shall be published in a newspaper of general circulation
3 in the county in accordance with Section 4.003, Election Code ~~[one~~
4 ~~(1) time at least ten (10) days prior to the date of election]~~. Any
5 person desiring the person's ~~[his]~~ name to be printed on the ballot
6 as a candidate for director shall file an application ~~[a petition,~~
7 ~~signed by not less than twenty-five (25) qualified voters asking~~
8 ~~that such name be printed on the ballot,~~] with the secretary of the
9 board of directors of the district in accordance with Chapter 144,
10 Election Code. ~~[Such petition shall be filed with such secretary~~
11 ~~not later than 5 p.m. of the 45th day before the date of election.]~~

12 SECTION 3. Section 5, Chapter 135, Acts of the 58th
13 Legislature, Regular Session, 1963, is amended to read as follows:

14 Sec. 5. (a) Upon the creation of such hospital district,
15 the board of directors shall have the power and authority and it
16 shall be their duty to levy on all property subject to hospital
17 district taxation for the benefit of the district at the same time
18 taxes are levied for county purposes, using the county values and
19 the county tax roll, a tax of not to exceed seventy-five cents (75¢)
20 on the One Hundred Dollar (\$100) valuation of all taxable property
21 within the hospital district, for the purpose of: (1) paying the
22 interest on and creating a sinking fund for bonds which may be
23 issued by the hospital district for hospital purposes as herein
24 provided; (2) providing for the operation and maintenance of the
25 hospital district and hospital system; and (3) for the purpose of
26 making further improvements and additions to the hospital system,
27 and for the acquisition of necessary sites therefor, by purchase,

1 lease or condemnation.

2 (b) The Tax Code governs the appraisal, assessment, and
3 collection of district taxes.

4 (c) The board of directors may provide for the appointment
5 of a tax assessor-collector for the district or may contract for the
6 assessment and collection of taxes as provided by the Tax Code.
7 ~~[Not later than October 1st of each year, the board of directors~~
8 ~~shall levy the tax on all taxable property within the district which~~
9 ~~is subject to taxation and shall immediately certify such tax rate~~
10 ~~to the tax assessor and collector of the county in which the~~
11 ~~district is located. The tax so levied shall be collected on all~~
12 ~~property subject to hospital district taxation by the assessor and~~
13 ~~collector of taxes for the county on the county tax values, and in~~
14 ~~the same manner and under the same conditions as county taxes. The~~
15 ~~assessor and collector of taxes shall charge and deduct from~~
16 ~~payments to the hospital district the fees for assessing and~~
17 ~~collecting the tax at the rate of not exceeding one percent (1%) of~~
18 ~~the amounts collected as may be determined by the board of directors~~
19 ~~but in no event in excess of Five Thousand Dollars (\$5,000) for any~~
20 ~~one (1) fiscal year. Such fees shall be deposited in the county's~~
21 ~~general fund, and shall be reported as fees of office of the tax~~
22 ~~assessor and collector. Interest and penalties on taxes paid to the~~
23 ~~hospital district shall be the same as for county taxes. The~~
24 ~~residue of tax collections, after deduction of discounts and fees~~
25 ~~for assessing and collecting, shall be deposited in the district~~
26 ~~depository, and such funds shall be withdrawn only as provided~~
27 ~~herein. All other income of the hospital district shall be~~

1 ~~deposited in like manner with the district depository.~~

2 ~~[The board of directors shall have the authority to levy the~~
3 ~~tax aforesaid for the entire year in which the said hospital~~
4 ~~district is established, for the purpose of securing funds to~~
5 ~~initiate the operation of the hospital district.]~~

6 SECTION 4. Section 6, Chapter 135, Acts of the 58th
7 Legislature, Regular Session, 1963, is amended to read as follows:

8 Sec. 6. (a) The board of directors shall have the power and
9 authority to issue and sell general obligation bonds ~~[as the~~
10 ~~obligations of such hospital district, and]~~ in the name and upon the
11 faith and credit of the ~~[such hospital]~~ district~~[, bonds]~~ for the
12 purchase, construction, acquisition, repair, or renovation of
13 buildings and improvements and equipping the same for hospital
14 purposes ~~[and for any or all of such purposes]~~; provided, that a
15 sufficient tax shall be levied to create an interest and sinking
16 fund to pay the interest and principal as same matures providing
17 said tax together with any other taxes levied for said district
18 shall not exceed 75 cents on each \$100 valuation ~~[seventy-five~~
19 ~~cents (75¢)]~~ in any ~~[one (1)]~~ year.

20 (b) Such bonds shall be executed in the name of the hospital
21 district and on its behalf by the president of the board of
22 directors, and countersigned by the secretary of the board of
23 directors, and shall be subject to the same requirements in the
24 matter of approval thereof by the Attorney General of the State of
25 Texas and the registration thereof by the Comptroller of Public
26 Accounts of the State of Texas as are by law provided for such
27 approval and registration of bonds of counties of this state. Upon

1 the approval of such bonds by the Attorney General of Texas and
2 registration by the Comptroller the same shall be incontestable for
3 any cause.

4 (c) General obligation bonds may not [~~No bonds shall~~] be
5 issued by the [~~such hospital~~] district [~~(except refunding bonds)~~]
6 until authorized by a majority of the qualified voters of the
7 district [~~vote of the legally qualified property taxpaying~~
8 ~~electors, residing in such hospital district,~~] voting at an
9 election called and held for that [~~such~~] purpose. Such election may
10 be ordered [~~called~~] by the board of directors in accordance with
11 Chapter 1251, Government Code [~~on its own motion, and the order~~
12 ~~calling said election shall specify the date of the election, the~~
13 ~~place or places where the election shall be held, the presiding~~
14 ~~officers thereof, the purpose for which the bonds are to be issued,~~
15 ~~the amount thereof, maximum interest rate (not to exceed six~~
16 ~~percent (6%) per annum) and the maximum maturity date of such bonds~~
17 ~~(not to exceed forty (40) years from their date of issuance)].~~
18 Notice of election shall be given as provided by Chapter 1251,
19 Government Code [~~by publishing a substantial copy of the order~~
20 ~~calling the election in a newspaper of general circulation in such~~
21 ~~county once a week for two (2) consecutive weeks prior to the date~~
22 ~~of election, the date of the first publication being at least~~
23 ~~fourteen (14) full days prior to the date set for the election)].~~
24 The cost of such election shall be paid by the hospital district.

25 (d) The board of directors may issue refunding bonds in
26 accordance with Chapter 1207, Government Code, to refund any [~~The~~
27 ~~bonds of the district may be made optional for redemption prior to~~

1 ~~their maturity date at the discretion of the board of directors.~~
2 ~~The district may without an election issue the bonds to refund and~~
3 ~~pay off any validly issued and] outstanding bonds [heretofore or~~
4 ~~hereafter] issued by the district[, provided any such refund bonds~~
5 ~~shall bear interest at the same rate or at a lesser rate than the~~
6 ~~bonds being refunded unless it be shown mathematically that a~~
7 ~~savings will result in the total amount of interest to be paid].~~

8 (e) The board of directors may issue revenue bonds to
9 purchase, construct, acquire, repair, renovate, or equip
10 buildings, sites, or improvements for district purposes. The bonds
11 must be payable from and secured by a pledge of all or part of the
12 revenues derived from the operation of the district's hospital
13 system. Revenue bonds issued under this subsection may be
14 additionally secured by a mortgage or deed of trust lien on all or
15 part of the district property. The revenue bonds must be issued in
16 the manner provided by Sections 264.042, 264.043, 264.046, 264.047,
17 264.048, and 264.049, Health and Safety Code.

18 SECTION 5. Section 7, Chapter 135, Acts of the 58th
19 Legislature, Regular Session, 1963, is amended to read as follows:

20 Sec. 7. (a) The board of directors [~~of such district~~] shall
21 have the power to prescribe the method and manner of making
22 purchases and expenditures by and for such hospital district, and
23 also shall prescribe all accounting and control procedures; the
24 method of purchasing necessary supplies, materials and equipment;
25 and shall have the power to adopt a seal for such district; and may
26 employ a general manager, attorney, bookkeeper, architect, and any
27 other employees deemed necessary for the efficient operation of the

1 hospital district.

2 (b) All books, records, accounts, notices and minutes and
3 all other matters of the district and the operation of its
4 facilities shall, except as herein provided, be maintained at the
5 office of the district and there be open to public inspection at all
6 reasonable hours.

7 (c) The board of directors is specifically empowered to
8 adopt rules and regulations governing the operation of such
9 district and its facilities which rules and regulations shall
10 supplement but shall not contravene any of the provisions of this
11 Act. Such rules and regulations may, upon approval of the board of
12 directors, be published in booklet or pamphlet form at the expense
13 of the district and may be made available to any taxpayer upon
14 request.

15 (d) The board of directors may spend district funds, enter
16 into agreements, and take other necessary action to recruit
17 physicians and other persons to serve as medical staff members or
18 employees of the district, including:

19 (1) advertising and marketing;

20 (2) paying travel, recruitment, and relocation
21 expenses;

22 (3) providing a loan or scholarship to a physician or a
23 person currently enrolled in health care education courses at an
24 institution of higher education who contractually agrees to become
25 a district employee or medical staff member; or

26 (4) contracting with one or more full-time medical
27 students or other students in a health occupation, each of whom must

1 be enrolled in and in good standing at an accredited medical school,
2 college, or university, to pay the student's tuition or other
3 expenses in consideration of the student's agreement to serve as an
4 employee or independent contractor for the district.

5 SECTION 6. Chapter 135, Acts of the 58th Legislature,
6 Regular Session, 1963, is amended by adding Section 7A to read as
7 follows:

8 Sec. 7A. (a) The district may create and sponsor a
9 nonprofit corporation under the Business Organizations Code and may
10 contribute money to or solicit money for the corporation.

11 (a-1) On or before December 31, 2009, the district may
12 create and sponsor a nonprofit corporation under the Texas
13 Non-Profit Corporation Act (Article 1396-1.01, et seq., Vernon's
14 Texas Civil Statutes) or the Business Organizations Code, as
15 applicable, and may contribute money to or solicit money for the
16 corporation.

17 (b) A corporation created under this section may use money
18 contributed by the district only to provide health care or other
19 services the district is authorized to provide under this Act.

20 (c) The corporation may invest the corporation's money in
21 any manner in which the district may invest the district's money,
22 including investing money as authorized by Chapter 2256, Government
23 Code.

24 (d) The board shall establish controls to ensure that the
25 corporation uses its money as required by this section.

26 (e) This subsection and Subsection (a-1) expire December
27 31, 2009.

1 SECTION 7. Section 8, Chapter 135, Acts of the 58th
2 Legislature, Regular Session, 1963, is amended to read as follows:

3 Sec. 8. (a) The district operates on the fiscal year
4 established by the board of directors. The fiscal year may not be
5 changed if revenue bonds of the district are outstanding or more
6 than once in a 24-month period. [~~The fiscal year of the hospital~~
7 ~~district authorized to be established by the provisions hereof~~
8 ~~shall commence on October 1st of each year and end on the 30th day of~~
9 ~~September of the following year.]~~

10 (b) The board of [district] directors shall cause an annual
11 independent audit to be made of the books and records of the
12 district[~~, such audit to be made covering such fiscal year, and the~~
13 ~~same shall be filed with the Comptroller of Public Accounts of the~~
14 ~~State of Texas and at the office of the district not later than~~
15 ~~December 31st of each year].~~

16 (c) The board of directors shall each year cause a budget to
17 be prepared showing the proposed expenditures and disbursements and
18 the estimated receipts and collections for the following fiscal
19 year and shall hold a public hearing on the proposed budget after
20 publication of a notice of hearing in a newspaper of general
21 circulation in the county at least once not less than ten (10) days
22 prior to the date set for the hearing. Any person who is a resident
23 [~~taxpayer~~] of the district shall have the right to appear at the
24 time and place designated in the notice and be heard with reference
25 to any item shown in the proposed budget. The proposed budget shall
26 also show the amount of taxes required to be levied and collected
27 during such fiscal year and upon final approval of the budget, the

1 board of directors shall levy such tax as may be required and
2 certify the tax rate for such year to the county tax assessor and
3 collector as provided in Section 5 hereof, and it shall be the duty
4 of the said tax assessor and collector to assess and collect such
5 tax.

6 SECTION 8. Section 9, Chapter 135, Acts of the 58th
7 Legislature, Regular Session, 1963, is amended to read as follows:

8 Sec. 9. The ~~[A hospital]~~ district ~~[organized in pursuance~~
9 ~~of this Act]~~ shall have the right and power of eminent domain for
10 the purpose of acquiring by condemnation any and all property of any
11 kind or character, real, personal or mixed, or any interest
12 therein, including outright ownership of such property in fee
13 simple absolute, within the boundaries of the said district,
14 necessary or convenient to the exercise of the rights, power,
15 privileges and functions conferred upon it by this Act ~~[, in the~~
16 ~~manner provided by General Law with respect to condemnation,~~
17 ~~provided that the said district shall not be required to make~~
18 ~~deposits in the registry of the trial court of the sum required by~~
19 ~~Paragraph No. 2 in Article 3268, Vernon's Annotated Civil Statutes,~~
20 ~~1925, or to make the bond required therein].~~ The district must
21 exercise the power of eminent domain in the manner provided by
22 Chapter 21, Property Code, but the district is not required to
23 deposit in the trial court money or a bond as provided by Section
24 21.021(a), Property Code. In condemnation proceedings being
25 prosecuted by the said district, the district shall not be required
26 to pay in advance or to give bond or other security for costs in the
27 trial court, nor to give any bond otherwise required for the

1 issuance of a temporary restraining order or a temporary injunction
2 relating to a condemnation proceeding, nor to give bond for costs or
3 for supersedeas on any appeal or writ of error proceeding to any
4 Court of Civil Appeals, or to the Supreme Court.

5 SECTION 9. Chapter 135, Acts of the 58th Legislature,
6 Regular Session, 1963, is amended by adding Section 9A to read as
7 follows:

8 Sec. 9A. (a) The district may be dissolved only if the
9 dissolution is approved by a majority of the registered voters of
10 the district voting in an election held for that purpose.

11 (b) The board of directors may order an election on the
12 question of dissolving the district and disposing of the district's
13 assets and obligations. The board shall order an election if the
14 board receives a petition requesting an election that is signed by a
15 number of registered voters of the district equal to at least 15
16 percent of the registered voters in the district.

17 (c) An election ordered under this section shall be held not
18 later than the 60th day after the date the election is ordered.
19 Section 41.001, Election Code, does not apply to an election
20 ordered under this section.

21 (d) The order calling an election under this section must
22 state:

23 (1) the nature of the election, including the
24 proposition that is to appear on the ballot;

25 (2) the date of the election;

26 (3) the hours during which the polls will be open; and

27 (4) the location of the polling places.

1 (e) The board of directors shall give notice of the election
2 by publishing a substantial copy of the election order in a
3 newspaper with general circulation in the district once a week for
4 two consecutive weeks. The first publication must appear not later
5 than the 35th day before the date set for the election.

6 (f) The ballot for the election must be printed to permit
7 voting for or against the proposition: "The dissolution of the
8 Sweeny Hospital District."

9 (g) If a majority of the votes in the election favor
10 dissolution, the board of directors shall find that the district is
11 dissolved. If a majority of the votes in the election do not favor
12 dissolution, the board shall continue to administer the district,
13 and another election on the question of dissolution may not be held
14 before the first anniversary of the most recent election to
15 dissolve the district.

16 (h) If a majority of the votes in the election favor
17 dissolution, the board of directors shall:

18 (1) transfer the land, buildings, improvements,
19 equipment, and other assets that belong to the district to Brazoria
20 County or another governmental entity in Brazoria County; or

21 (2) administer the property, assets, and debts until
22 all money has been disposed of and all district debts have been paid
23 or settled.

24 (i) If the district transfers the land, buildings,
25 improvements, equipment, and other assets to Brazoria County or
26 another governmental entity, the county or entity assumes all debts
27 and obligations of the district at the time of the transfer, and the

1 district is dissolved.

2 (j) If the district does not transfer the land, buildings,
3 improvements, equipment, and other assets to a county or other
4 governmental entity, the board of directors shall administer the
5 property, assets, and debts of the district until all funds have
6 been disposed of and all district debts have been paid or settled,
7 at which time the district is dissolved.

8 (k) After the board of directors finds that the district is
9 dissolved, the board shall:

10 (1) determine any debt owed by the district; and

11 (2) impose on the property included in the district's
12 tax rolls a tax that is in proportion of the debt to the property
13 value.

14 (l) When all outstanding debts and obligations of the
15 district are paid, the board of directors shall order the secretary
16 to return to each district taxpayer the taxpayer's pro rata share of
17 all unused tax money.

18 (m) A taxpayer may request that the taxpayer's share of
19 surplus tax money be credited to the taxpayer's county taxes. If a
20 taxpayer requests the credit, the board of directors shall direct
21 the secretary to transmit the money to the county tax
22 assessor-collector.

23 (n) After the district has paid all its debts and has
24 disposed of all its assets and money as prescribed by this section,
25 the board of directors shall file a written report with the
26 Commissioners Court of Brazoria County setting forth a summary of
27 the board's actions in dissolving the district.

1 (o) Not later than the 10th day after the date it receives
2 the report and determines that the requirements of this section
3 have been fulfilled, the Commissioners Court of Brazoria County
4 shall enter an order dissolving the district and releasing the
5 board of directors of the district from any further duty or
6 obligation.

7 SECTION 10. Section 6a, Chapter 135, Acts of the 58th
8 Legislature, Regular Session, 1963, is repealed.

9 SECTION 11. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2005.