

## **BILL ANALYSIS**

C.S.H.B. 4047  
By: Farabee  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Act creating the Electra Hospital District (district) was passed by the 58th Legislature in 1973. The district would like to amend its enabling legislation elect directors for staggered three-year terms and to conform the district's elections to the procedures in the Texas Election Code. The district also wants to remove the requirement that the district administrator post a \$5,000 bond.

C.S.H.B. 4047 updates the district's enabling legislation to conform with current Texas law. The district requests authority to create a nonprofit corporation which may provide health care or other services the district is authorized to provide or enter into joint ventures to provide such services. The district would also like to add provisions regarding procedures for dissolution of the district.

### **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**

C.S.H.B. 4047 amends the district's enabling legislation to provide that directors may be elected at large by place for staggered three-year terms and that an election will be held each year on the May uniform election date. The bill also amends the legislation to conform to the procedures in the Texas Election Code. The bill revises the legislation to provide that four members of the board shall constitute a quorum and a concurrence of four members will be sufficient in all matters pertaining to the business of the district. The bill amends the enabling legislation to update references to other law regarding the investment of district funds. The bill also updates references to the district's administrator and deletes the requirement that the administrator post a \$5,000 bond.

The bill authorizes the district to create and sponsor a nonprofit corporation and to contribute money to or solicit money for the corporation. Any corporation created could use money contributed by the district only to provide health care or other services the district is authorized to provide. The corporation could enter into a joint venture with any public or private entity or individual to provide health care or other services the district is authorized to provide. The corporation may invest its money in any manner in which the district is authorized to invest the district's money. The board is required to establish controls to ensure the corporation uses its money as required by Chapter 513, Acts of the 63rd Legislature, Section 5A. The bill deletes outdated references to a manager of the district. The bill provides that a construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

The bill provides procedures for the dissolution of the district upon a vote of a majority of the district voters voting in an election held for that purpose. The board may order an election on the question of dissolution and shall order such an election if it receives a petition requesting an election signed by at least 20% of the registered voters of the district. The bill sets out procedures for such an election. If a majority of the votes in the election favor dissolution, the board shall order the district be dissolved and transfer the district's assets to Wichita County or another governmental entity in Wichita County or administer the property, assets and debts until all funds have been disposed of and all district debts have been paid or settled. The bill provides

C.S.H.B. 4047 80(R)

the procedures for making such a transfer or administering the property, assets and debts of the district. The bill provides the method for determining how the terms will be staggered.

**EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute removes language from the introduced version relating to the ability of the district to employ physicians, dentists and podiatrists in Section 2.