

By: Hill (Senate Sponsor - Carona) H.B. No. 2168
(In the Senate - Received from the House March 26, 2007;
March 29, 2007, read first time and referred to Committee on
Intergovernmental Relations; May 3, 2007, reported adversely, with
favorable Committee Substitute by the following vote: Yeas 3,
Nays 0; May 3, 2007, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 2168 By: Wentworth

A BILL TO BE ENTITLED
AN ACT

relating to the powers of municipal and county hospital authorities
and hospital districts created under general or special law.

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

SECTION 1. Subchapter C, Chapter 262, Health and Safety
Code, is amended by adding Sections 262.037 and 262.038 to read as
follows:

Sec. 262.037. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)
The authority may form and sponsor a nonprofit corporation under
the Texas Nonprofit Corporation Law, as described by Section 1.008,
Business Organizations Code, to own and operate all or part of one
or more ancillary health care facilities consistent with the
purposes of an authority under this chapter.

(b) The board shall appoint the board of directors of a
nonprofit corporation formed under this section.

(c) The authority may contribute money to or solicit money
for the nonprofit corporation. If the authority contributes money
to or solicits money for the corporation, the authority shall
establish procedures and controls sufficient to ensure that the
money is used by the corporation for public purposes.

(d) A nonprofit corporation formed under this section has
the same powers as a development corporation under Section 221.030.

(e) A nonprofit corporation formed under this section shall
comply with Chapter 2258, Government Code, in the same manner and to
the same extent that the authority is required to comply with that
chapter.

Sec. 262.038. HOSPITAL AUTHORITY CONTRACTS,
COLLABORATIONS, AND JOINT VENTURES. The authority may, directly or
through any nonprofit corporation formed by the authority,
contract, collaborate, or enter into a joint venture with any
public or private entity as necessary to carry out the functions of
or provide services to the authority.

SECTION 2. Subchapter C, Chapter 264, Health and Safety
Code, is amended by adding Sections 264.035 and 264.036 to read as
follows:

Sec. 264.035. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)
The authority may form and sponsor a nonprofit corporation under
the Texas Nonprofit Corporation Law, as described by Section 1.008,
Business Organizations Code, to own and operate all or part of one
or more ancillary health care facilities consistent with the
purposes of an authority under this chapter.

(b) The board shall appoint the board of directors of a
nonprofit corporation formed under this section.

(c) The authority may contribute money to or solicit money
for the nonprofit corporation. If the authority contributes money
to or solicits money for the corporation, the authority shall
establish procedures and controls sufficient to ensure that the
money is used by the corporation for public purposes.

(d) A nonprofit corporation formed under this section has
the same powers as a development corporation under Section 221.030.

(e) A nonprofit corporation formed under this section shall
comply with Chapter 2258, Government Code, in the same manner and to
the same extent that the authority is required to comply with that
chapter.

Sec. 264.036. HOSPITAL AUTHORITY CONTRACTS,

COLLABORATIONS, AND JOINT VENTURES. The authority may, directly or through any nonprofit corporation formed by the authority, contract, collaborate, or enter into a joint venture with any public or private entity as necessary to carry out the functions of or provide services to the authority.

SECTION 3. Section 285.091(a), Health and Safety Code, is amended to read as follows:

(a) A hospital district created under general or special law may, directly or through a nonprofit corporation created or formed by the district, contract, collaborate, or enter into a joint venture with any public or private entity as necessary to [form or] carry out the functions of or provide services to the district [an intergovernmental initiative under Section 16B, Article 4413(502), Revised Statutes].

SECTION 4. Chapter 285, Health and Safety Code, is amended by adding Subchapter O to read as follows:

SUBCHAPTER O. NONPROFIT CORPORATION CREATED OR FORMED BY
DISTRICT

Sec. 285.301. ESTABLISHMENT OF NONPROFIT CORPORATION. (a) A hospital district created under general or special law may form and sponsor a nonprofit corporation under the Texas Nonprofit Corporation Law, as described by Section 1.008, Business Organizations Code, to own and operate all or part of one or more ancillary health care facilities consistent with the purposes of the district.

(b) The governing body of the hospital district shall appoint the board of directors of a nonprofit corporation formed under this section.

(c) The hospital district may contribute money to or solicit money for the nonprofit corporation. If the district contributes money to or solicits money for the corporation, the district shall establish procedures and controls sufficient to ensure that the money is used by the corporation for public purposes.

(d) A nonprofit corporation formed under this section has the same powers as a development corporation under Section 221.030.

Sec. 285.302. COMPLIANCE BY NONPROFIT CORPORATION WITH CERTAIN LAWS. A nonprofit corporation created or formed under this subchapter or other law by a hospital district that is created under general or special law shall comply with Chapter 2258, Government Code, in the same manner and to the same extent that the hospital district that created or formed the corporation is required to comply with that chapter.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

* * * * *