

1-1 By: Hardcastle (Senate Sponsor - Estes) H.B. No. 2406  
1-2 (In the Senate - Received from the House April 23, 2007;  
1-3 April 24, 2007, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 15, 2007, reported favorably by  
1-5 the following vote: Yeas 4, Nays 0; May 15, 2007, sent to  
1-6 printer.)

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

1-9 relating to the powers and duties of the Gainesville Hospital  
1-10 District.

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

1-12 SECTION 1. Section 4, Chapter 211, Acts of the 64th  
1-13 Legislature, Regular Session, 1975, is amended to read as follows:

1-14 Sec. 4. (a) The district is governed by a board of nine  
1-15 directors.

1-16 (b) Directors serve staggered three-year terms. [Upon the  
1-17 effective date of this Act, the following named nine persons shall  
1-18 be and constitute the temporary or provisional directors of the  
1-19 said district:

|  |                              |
|--|------------------------------|
| 1-20 <u>1--Lambert Bezner</u>          | <u>6--Dr. Harry M. Roark</u> |
| 1-21 <u>2--Dr. James R. Cole</u>       | <u>7--J. Robert Evans</u>    |
| 1-22 <u>3--L. V. Henry</u>             | <u>8--W. W. Weems</u>        |
| 1-23 <u>4--E. J. (Junior) Hudspeth</u> | <u>9--E. E. Wright</u>       |
| 1-24 <u>5--Joe B. Hundt</u>            |                              |

1-25 ~~and each of said directors shall subscribe to the constitutional~~  
1-26 ~~oath of office within 60 days of the effective date of this Act.~~  
1-27 ~~Should any of the named directors refuse to act or for any reason~~  
1-28 ~~fail to qualify as herein required, the County Judge of Cooke County~~  
1-29 ~~shall fill such vacancy. The terms of office of the first, third,~~  
1-30 ~~fifth, seventh, and ninth named directors shall expire on the first~~  
1-31 ~~Saturday in April of the year following the election for the~~  
1-32 ~~creation of the district, and the terms of the second, fourth,~~  
1-33 ~~sixth, and eighth named directors shall expire on the first~~  
1-34 ~~Saturday in April of the second year following the election for the~~  
1-35 ~~creation of the district.]~~

1-36 (c) A regular election for directors shall be held on the  
1-37 uniform election date in May [first Saturday in April] of each year  
1-38 to elect the appropriate number of directors. [The regular  
1-39 election for directors shall be ordered by the board, and such order  
1-40 shall state the time, place, and purpose of the election, and the  
1-41 board shall appoint the presiding judge who shall appoint an  
1-42 assistant judge and such clerks as may be required, and such  
1-43 election shall be ordered at least 30 days prior to the date on  
1-44 which it is to be held.] Any person desiring the person's [his]  
1-45 name to be printed on the ballot as a candidate for director shall  
1-46 file an application [a petition, signed by not less than 15  
1-47 qualified voters asking that such name be printed on the ballot,]  
1-48 with the secretary of the board of directors of the district in  
1-49 accordance with Chapter 144, Election Code. [Such petition shall  
1-50 be filed with such secretary at least 25 days prior to the date of  
1-51 election.] Notice of such election shall be published [one time] in  
1-52 a newspaper of general circulation in the area of the district in  
1-53 accordance with Section 4.003, Election Code [at least 20 days  
1-54 before the election].

1-55 (d) All vacancies in office [(other than for the failure of  
1-56 an original director herein appointed to qualify)] shall be filled  
1-57 by a majority vote of the remaining directors, and such appointees  
1-58 shall hold office for the unexpired terms for which they were  
1-59 appointed.

1-60 (e) A director who fails to attend at least four regular  
1-61 meetings in any 12-month period is considered to have resigned the  
1-62 director's position, effective immediately on the date of the  
1-63 fourth absence. Further action is not required by the director or  
1-64 the board to effectuate a vacancy under this subsection. A vacancy

2-1 created by a resignation under this subsection shall be filled as  
 2-2 provided by Subsection (d) of this section.

2-3 (f) No director shall be entitled to compensation but shall  
 2-4 be entitled to receive his actual expenses incurred in attending to  
 2-5 the district's business, provided such expenses are approved by the  
 2-6 remainder of the board.

2-7 (g) To be qualified to hold office as a director of the  
 2-8 district, a person must be a resident of the district and a  
 2-9 registered voter [~~and own property therein subject to~~  
 2-10 ~~hospital-district taxation~~].

2-11 (h) The board of directors shall elect from its number a  
 2-12 president, vice-president, secretary, and such other officers as in  
 2-13 the judgment of the board are necessary. [~~The president shall be~~  
 2-14 ~~the chief executive officer of the district and shall have the same~~  
 2-15 ~~right to vote as any other director. The vice-president shall~~  
 2-16 ~~perform all duties and exercise all powers conferred by this Act~~  
 2-17 ~~upon the president when the president is absent or fails or declines~~  
 2-18 ~~to act.~~

2-19 [~~The directors named herein and their successors in office~~  
 2-20 ~~shall hold office as provisional or temporary directors until such~~  
 2-21 ~~time as the creation of the district has been approved at an~~  
 2-22 ~~election as herein provided. At such time as the creation of the~~  
 2-23 ~~district is so approved and the returns of the election officially~~  
 2-24 ~~canvassed, the persons acting as provisional or temporary directors~~  
 2-25 ~~shall become permanent directors whose terms shall expire as~~  
 2-26 ~~hereinabove provided.~~]

2-27 (i) Each [~~permanent~~] director and his successor in office  
 2-28 shall qualify by executing the constitutional oath of office.

2-29 (j) A majority of the board shall constitute a quorum for  
 2-30 the transaction of business.

2-31 SECTION 2. Section 5, Chapter 211, Acts of the 64th  
 2-32 Legislature, Regular Session, 1975, is amended to read as follows:

2-33 Sec. 5. (a) The board of directors shall manage, control,  
 2-34 and administer the hospital system and the funds and resources  
 2-35 [~~hospital facilities to provide medical and hospital care for needy~~  
 2-36 ~~residents~~] of the district. The district through its board of  
 2-37 directors shall have the power and authority to sue and be sued and  
 2-38 to promulgate rules and regulations governing the operation of the  
 2-39 district.

2-40 (b) The board of directors shall appoint a qualified person  
 2-41 to be known as the administrator [~~or manager~~] of the hospital  
 2-42 district and may in its discretion appoint an assistant to the  
 2-43 administrator [~~or manager~~]. Such administrator [~~or manager~~] and  
 2-44 assistant administrator [~~or assistant manager~~], if any, shall serve  
 2-45 at the will of the board and shall receive such compensation as may  
 2-46 be fixed by the board. The administrator [~~or manager~~] shall, upon  
 2-47 assuming his duties, execute a bond payable to the hospital  
 2-48 district in an amount to be set by the board of directors, in no  
 2-49 event less than \$5,000, conditioned that he shall perform the  
 2-50 duties required of him, and containing such other conditions as the  
 2-51 board may require. The board may pay for the bond with district  
 2-52 funds. The administrator [~~or manager~~] shall supervise all the work  
 2-53 and activities of the hospital district and shall have general  
 2-54 direction of the affairs of the district, subject to such  
 2-55 limitations as may be prescribed by the board.

2-56 (c) The board of directors [~~, with the administrator,~~] shall  
 2-57 have the authority to appoint to or dismiss from the medical staff  
 2-58 [admit] such physicians, dentists, and podiatrists as the board  
 2-59 determines are [~~doctors or employ technicians, nurses, and other~~  
 2-60 ~~employees of every kind and character as may be deemed~~] necessary  
 2-61 for the efficient operation of the hospital district [~~or may~~  
 2-62 ~~provide that the administrator or manager shall have the authority~~  
 2-63 ~~to admit or employ such persons~~]. The board shall comply with the  
 2-64 due process procedures provided by Section 241.101, Health and  
 2-65 Safety Code, in granting, renewing, modifying, or revoking medical  
 2-66 staff privileges.

2-67 (d) The district may employ technicians, nurses, fiscal  
 2-68 agents, accountants, architects, additional attorneys, and other  
 2-69 necessary employees. The board may delegate to the administrator

3-1 the authority to employ persons for the district.

3-2 (e) Such board shall be authorized to contract with any  
3-3 county or incorporated municipality located outside the district  
3-4 for the care and treatment of the sick, diseased, or injured persons  
3-5 of any such county or municipality and shall have the authority to  
3-6 contract with the State of Texas and agencies of the federal  
3-7 government for treatment of sick, diseased, or injured persons for  
3-8 whom the State of Texas or the federal government is responsible.  
3-9 The board of directors is also authorized to enter into such  
3-10 contracts or agreements with the State of Texas or the federal  
3-11 government as may be required to establish or continue a retirement  
3-12 program for the benefit of the district's employees.

3-13 (f) The board may also enter into a contract or contracts  
3-14 with nonprofit corporations whereby such corporations agree to  
3-15 provide administrative and other personnel for the operation of the  
3-16 hospital facilities, but in no event may such contract be for a  
3-17 period in excess of 25 years from the date the same is executed.

3-18 (g) The board of directors of such district shall have the  
3-19 power to prescribe the method and manner of making purchases and  
3-20 expenditures by and for such hospital district and also shall be  
3-21 authorized to prescribe all accounting and control procedures and  
3-22 to make such rules and regulations as may be required to carry out  
3-23 the provisions of this Act. The board is given exclusive authority  
3-24 to determine the type, character, and use of the facilities forming  
3-25 a part of the hospital system.

3-26 SECTION 3. (a) The election of directors scheduled before  
3-27 the effective date of this Act to be held in May 2008 shall be held,  
3-28 and the three directors who receive the highest number of votes  
3-29 shall each be elected to serve three-year terms. The two remaining  
3-30 directors elected shall be elected to serve two-year terms.  
3-31 Successor directors shall serve three-year terms.

3-32 (b) Four directors shall be elected in 2009. The director  
3-33 who receives the highest number of votes shall be elected to serve a  
3-34 four-year term. The three remaining directors elected shall be  
3-35 elected to serve three-year terms. Successor directors shall serve  
3-36 three-year terms.

3-37 SECTION 4. This Act takes effect immediately if it receives  
3-38 a vote of two-thirds of all the members elected to each house, as  
3-39 provided by Section 39, Article III, Texas Constitution. If this  
3-40 Act does not receive the vote necessary for immediate effect, this  
3-41 Act takes effect September 1, 2007.

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