

By: Farabee

H.B. No. 4047

Substitute the following for H.B. No. 4047:

By: Heflin

C.S.H.B. No. 4047

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Electra Hospital District.

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

SECTION 1. Sections 4(c) and (e), Chapter 513, Acts of the 63rd Legislature, Regular Session, 1973, are amended to read as follows:

(c) The district is governed by a board of seven directors elected at large by place for staggered three-year terms. A director's election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code. [~~At such time as the creation of the district is approved and the returns of the election officially canvassed, the persons then serving as temporary directors shall become permanent directors of the district, shall execute the constitutional oath of office as such, and shall divide themselves into two classes: Class One, three persons, to serve until the first Saturday in April next following; Class Two, four persons to serve until the first Saturday in April of the following year. Successors shall be elected by vote of the electors of the entire district for two-year terms.~~] Notice of each election shall be published in a newspaper or newspapers which individually or collectively provide general circulation in the district in accordance with Section 4.003, Election Code [~~one time at least 30 days prior to the date of the election~~]. Any person desiring to have that person's [~~his~~] name

1 printed on the ballot as a candidate for director shall file an  
2 application [~~a petition signed by at least 10 electors asking that~~  
3 ~~such name be printed on the ballot~~] with the secretary of the board  
4 of directors in accordance with Chapter 144, Election Code. [~~The~~  
5 ~~petition shall be filed with the secretary at least 30 days prior to~~  
6 ~~the date of the election.~~] Vacancies in office shall be filled for  
7 the unexpired term by the remainder of the board of directors.

8 (e) The board of directors [~~, temporary and permanent,~~]  
9 shall organize by electing one of their number as president and one  
10 of their number as vice-president. A secretary, who need not be a  
11 director, shall also be elected. Officers shall be elected for a  
12 term of one year and vacancies shall be filled for the unexpired  
13 term by the board of directors [~~, temporary or permanent~~]. Any four  
14 [~~five~~] members of the board of directors shall constitute a quorum  
15 and a concurrence of four [~~five~~] shall be sufficient in all matters  
16 pertaining to the business of the district. All members of the  
17 board of directors and officers shall serve without compensation,  
18 but may be reimbursed for actual expenses incurred in the  
19 performance of their official duties on the approval of such  
20 expenses by the board of directors and so reported in the minute  
21 book of the district or other records of the district.

22 SECTION 2. Section 5, Chapter 513, Acts of the 63rd  
23 Legislature, Regular Session, 1973, is amended to read as follows:

24 Sec. 5. The board of directors shall manage, control, and  
25 administer the hospital system and all funds and resources of the  
26 district, but in no event shall any operating, depreciation, or  
27 building reserves be invested in any funds or securities other than

1 those specified in Subchapter A, Chapter 2256, Government Code  
2 ~~[Article 836 or 837, Revised Civil Statutes of Texas, 1925, as~~  
3 ~~amended]~~. The district, through its board of directors, shall have  
4 the power and authority to sue and be sued, to promulgate rules and  
5 regulations governing the operation of the hospital, hospital  
6 system, its staff, and its employees. The board of directors shall  
7 appoint a qualified person to be known as the administrator ~~[or~~  
8 ~~manager]~~ of the hospital district ~~[and may in its discretion~~  
9 ~~appoint an assistant to the administrator or manager]~~. The  
10 administrator ~~[or manager and assistant administrator or manager,~~  
11 ~~if any,]~~ shall serve at the will of the board and shall receive such  
12 compensation as may be fixed by the board. ~~[The administrator or~~  
13 ~~manager shall, on assuming his duties, execute a bond payable to the~~  
14 ~~hospital district in an amount to be set by the board of directors,~~  
15 ~~in no event less than \$5,000, conditioned that he shall perform the~~  
16 ~~duties required of him, and containing such other conditions as the~~  
17 ~~board may require.]~~ The administrator ~~[or manager]~~ shall supervise  
18 all the work and activities of the district and shall have general  
19 direction of the affairs of the district, subject to the  
20 limitations as may be prescribed by the board. The board of  
21 directors shall have the authority to appoint to the staff such  
22 doctors as the board considers ~~[it may be deemed]~~ necessary for the  
23 efficient operation of the district, and may provide for temporary  
24 appointments to the staff if warranted by circumstances. The board  
25 may delegate to the administrator ~~[or manager]~~ the authority to  
26 employ technicians, nurses, and employees of the district. The  
27 board shall be authorized to contract with any other political

1 subdivision or governmental agency whereby the district will  
2 provide investigatory or other services regarding [~~as to~~] the  
3 medical, hospital, or welfare needs of the inhabitants of the  
4 district and shall be authorized to contract with any county or  
5 incorporated municipality located outside its boundaries for the  
6 care and treatment of the sick, diseased, or injured persons of any  
7 such county or municipality, and shall have the authority to  
8 contract with the State of Texas, or agencies of the federal  
9 government for the treatment of sick, diseased, or injured persons.

10 SECTION 3. Chapter 513, Acts of the 63rd Legislature,  
11 Regular Session, 1973, is amended by adding Section 5A to read as  
12 follows:

13 Sec. 5A. (a) The district may create and sponsor a  
14 nonprofit corporation under the Business Organizations Code and may  
15 contribute money to or solicit money for the corporation.

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

19 (c) A corporation created under this section may enter into  
20 a joint venture with any public or private entity or individual to  
21 provide health care or other services the district is authorized to  
22 provide under this Act.

23 (d) A corporation created under this section may invest the  
24 corporation's money in any manner in which the district may invest  
25 the district's money, including investing money as authorized by  
26 Chapter 2256, Government Code.

27 (e) The board of directors shall establish controls to

1 ensure that the corporation uses its money as required by this  
2 section.

3 SECTION 4. Section 6, Chapter 513, Acts of the 63rd  
4 Legislature, Regular Session, 1973, is amended to read as follows:

5 Sec. 6. The district shall be operated on the basis of a  
6 fiscal year as established from time to time by the board of  
7 directors, provided such fiscal year may not be changed during the  
8 time revenue bonds of the district are outstanding or more than once  
9 in any 24-month period. The board shall cause an audit to be made of  
10 the financial condition of the district, which together with other  
11 records of the district shall be open to inspection at the principal  
12 office of the district. The administrator [~~or manager~~] shall  
13 prepare an annual budget for approval by the board of directors.  
14 The budget shall also contain a complete financial statement of the  
15 district showing all outstanding obligations of the district, the  
16 cash on hand to the credit of each and every fund of the district,  
17 the funds received from all sources during the previous year, the  
18 funds available from all sources during the ensuing year, with  
19 balances expected at year end of the year in which the budget is  
20 being prepared, and estimated revenues and balances available to  
21 cover the proposed budget and the estimated tax rate which will be  
22 required. A public hearing on the annual budget shall be held by  
23 the board of directors after notice of such hearing has been  
24 published one time at least 10 days before the date set therefor.  
25 Any person residing in the district shall have the right to be  
26 present and participate in the hearing. At the conclusion of the  
27 hearing, the budget, as proposed by the administrator, shall be

1 acted on by the board of directors. The board of directors shall  
 2 have authority to make such changes in the budget as in their  
 3 judgment the law warrants and the interest of the taxpayers  
 4 demands. No expenditure may be made for any expense not included in  
 5 the annual budget or an amendment thereto. The annual budget may be  
 6 amended from time to time as the circumstances may require, but the  
 7 annual budget, and all amendments thereto, shall be approved by the  
 8 board of directors. As soon as practicable after the close of each  
 9 fiscal year, the administrator [~~or manager~~] shall prepare for the  
 10 board a full sworn statement of all money belonging to the district  
 11 and a full account of the disbursements of same.

12 SECTION 5. Section 10(b), Chapter 513, Acts of the 63rd  
 13 Legislature, Regular Session, 1973, is amended to read as follows:

14 (b) The board of directors of the district shall have the  
 15 power to prescribe the method and manner of making purchases and  
 16 expenditures by and for the hospital district, and shall also be  
 17 authorized to prescribe all accounting and control procedures. A  
 18 construction contract that involves an [~~All contracts for~~  
 19 ~~construction involving the~~] expenditure of more than the amount  
 20 provided by Section 271.024, Local Government Code, may be made  
 21 only after competitive bidding as provided by Subchapter B, Chapter  
 22 271, Local Government Code [~~of more than \$10,000 may be made only~~  
 23 ~~after advertising in the manner provided by Chapter 163, Acts of the~~  
 24 ~~42nd Legislature, Regular Session, 1931, as amended (Article 2368a,~~  
 25 ~~Vernon's Texas Civil Statutes)]. The provisions of Chapter 2253,  
 26 Government Code, [Article 5160, Revised Civil Statutes of Texas,  
 27 ~~1925,~~] relating to performance and payment bonds shall apply to~~

1 construction contracts let by the district. The district may  
2 acquire equipment for use in its hospital system and mortgage or  
3 pledge the property so acquired as security for the payment of the  
4 purchase price, but any such contract shall provide for the entire  
5 obligation of the district to be retired within five years from the  
6 date of the contract. Except as permitted in the preceding sentence  
7 and as permitted by Sections 7, 8, and 9, the district may incur no  
8 obligation payable from any revenues of the district, tax or  
9 otherwise, except those on hand or to be on hand within the then  
10 current and following fiscal year of the district.

11 SECTION 6. Section 17, Chapter 513, Acts of the 63rd  
12 Legislature, Regular Session, 1973, is amended to read as follows:

13 Sec. 17. Whenever a patient residing within the district  
14 has been admitted to the facilities thereof, the administrator [~~or~~  
15 ~~manager~~] may cause inquiry to be made as to his circumstances and  
16 those of the relatives of the patient legally liable for his  
17 support. If he finds that the patient or his relatives are able to  
18 pay for his care and treatment in whole or in part, an order shall be  
19 made directing the patient or his relatives to pay to the hospital  
20 district for the care and support of such patient a specified sum  
21 per week in proportion to their financial ability. The  
22 administrator [~~or manager~~] shall have the power and authority to  
23 collect such sums from the estate of the patient or his relatives  
24 legally liable for his support in the manner provided by law for  
25 collection of expenses in the last illness of a deceased person. If  
26 the administrator [~~or manager~~] finds that the patient or his  
27 relatives are not able to pay either in whole or in part for his care

1 and treatment in the hospital, same shall become a charge on the  
2 hospital district as to the amount of the inability to pay. Should  
3 there be any dispute as to the ability to pay or doubt in the mind of  
4 the administrator [~~or manager~~], the board of directors shall hear  
5 and determine same after calling witnesses, and shall make such  
6 order or orders as may be proper. Appeals from a final order of the  
7 board shall lie to the district court. The substantial evidence  
8 rule shall apply.

9 SECTION 7. Chapter 513, Acts of the 63rd Legislature,  
10 Regular Session, 1973, is amended by adding Section 18A to read as  
11 follows:

12 Sec. 18A. (a) The district may be dissolved only on  
13 approval of a majority of the district voters voting in an election  
14 held for that purpose.

15 (b) The board of directors may order an election on the  
16 question of dissolving the district and disposing of the district's  
17 assets. The board shall order an election if the board receives a  
18 petition requesting an election that is signed by a number of  
19 registered voters of the district equal to at least 20 percent of  
20 the registered voters in the district.

21 (c) An election on dissolution of the district shall be held  
22 not later than the 62nd day after the date the election is ordered.  
23 Section 41.001, Election Code, does not apply to an election  
24 ordered under this section.

25 (d) The order calling the election shall state:

26 (1) the nature of the election, including the  
27 proposition to appear on the ballot;



1           (2) the date of the election;

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

3           (4) the location of the polling places.

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

9           (f) The ballot for the election shall be printed to permit  
10 voting for or against the proposition: "The dissolution of the  
11 Electra County Hospital District."

12           (g) If a majority of the votes in the election favor  
13 dissolution, the board shall order that the district be dissolved.  
14 If a majority of the votes in the election do not favor dissolution,  
15 the board shall continue to administer the district and another  
16 election on the question of dissolution may not be held before the  
17 first anniversary of the date of the most recent election to  
18 dissolve the district.

19           (h) If a majority of the votes in the election favor  
20 dissolution, the board shall:

21           (1) transfer the land, buildings, improvements,  
22 equipment, and other assets that belong to the district to Wichita  
23 County or another governmental entity in Wichita County; or

24           (2) administer the property, assets, and debts until  
25 all funds have been disposed of and all district debts have been  
26 paid or settled.

27           (i) If the district makes the transfer under Subsection

1 (h)(1) of this section, the county or entity assumes all debts and  
2 obligations of the district at the time of the transfer, at which  
3 time the district is dissolved.

4 (j) If the district does not make the transfer under  
5 Subsection (h)(1) of this section, the board shall administer the  
6 property, assets, and debts of the district until all funds have  
7 been disposed of and all district debts have been paid or settled,  
8 at which time the district is dissolved.

9 (k) After the board finds that the district is dissolved,  
10 the board shall:

11 (1) determine the debt owed by the district; and

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

15 (l) On the payment of all outstanding debts and obligations  
16 of the district, the board shall order the secretary to return to  
17 each district taxpayer the taxpayer's pro rata share of all unused  
18 tax money. 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 shall direct the secretary  
21 to transmit the funds to the county tax assessor-collector.

22 (m) After the district has paid all its debts and has  
23 disposed of all district assets and funds as prescribed by this  
24 section, the board shall file a written report with the  
25 Commissioners Court of Wichita County summarizing the board's  
26 actions in dissolving the district. Not later than the 10th day  
27 after the date the commissioners court receives the report and

1 determines that the requirements of this section have been  
2 fulfilled, the commissioners court shall enter an order dissolving  
3 the district and releasing the board from any further duty of  
4 obligation.

5 SECTION 8. (a) The members of the board of directors of the  
6 Electra Hospital District serving on the effective date of this Act  
7 shall draw lots to determine in which place each director serves.  
8 The three directors whose terms expire in 2008 shall draw lots for  
9 Places 1, 2, and 3. The four directors whose terms expire in 2009  
10 shall draw lots for Places 4, 5, 6, and 7.

11 (b) The election of the board of directors of the district  
12 scheduled before the effective date of this Act to be held in May  
13 2008 must be held, and the directors elected for Places 1, 2, and 3  
14 at that election shall serve two-year terms.

15 (c) The election of the board of directors scheduled before  
16 the effective date of this Act to be held in May 2009 must be held,  
17 and the directors elected for Places 4 and 5 at that election shall  
18 serve three-year terms. The directors elected for Places 6 and 7 at  
19 that election shall serve two-year terms.

20 (d) The directors elected at the election to be held in May  
21 2010, May 2011, and May 2012 shall serve three-year terms.

22 SECTION 9. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section 39, Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2007.