

1-1 By: Farabee (Senate Sponsor - Estes) H.B. No. 4047
1-2 (In the Senate - Received from the House May 10, 2007;
1-3 May 14, 2007, read first time and referred to Committee on Health
1-4 and Human Services; May 18, 2007, reported favorably by the
1-5 following vote: Yeas 6, Nays 0; May 18, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the powers and duties of the Electra Hospital District.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Sections 4(c) and (e), Chapter 513, Acts of the
1-11 63rd Legislature, Regular Session, 1973, are amended to read as
1-12 follows:

1-13 (c) The district is governed by a board of seven directors
1-14 elected at large by place for staggered three-year terms. A
1-15 director's election shall be held each year on the May uniform
1-16 election date prescribed by Section 41.001, Election Code. [At
1-17 such time as the creation of the district is approved and the
1-18 returns of the election officially canvassed, the persons then
1-19 -serving as temporary directors shall become permanent directors of
1-20 the district, shall execute the constitutional oath of office as
1-21 such, and shall divide themselves into two classes: Class One,
1-22 three persons, to serve until the first Saturday in April next
1-23 following; Class Two, four persons to serve until the first
1-24 Saturday in April of the following year. Successors shall be
1-25 electd by vote of the electors of the entire district for two-year
1-26 terms.] Notice of each election shall be published in a newspaper
1-27 or newspapers which individually or collectively provide general
1-28 circulation in the district in accordance with Section 4.003,
1-29 Election Code [one time at least 30 days prior to the date of the
1-30 election]. Any person desiring to have that person's [his] name
1-31 printed on the ballot as a candidate for director shall file an
1-32 application [a petition signed by at least 10 electors asking that
1-33 such name be printed on the ballot] with the secretary of the board
1-34 of directors in accordance with Chapter 144, Election Code. [The
1-35 petition shall be filed with the secretary at least 30 days prior to
1-36 the date of the election.] Vacancies in office shall be filled for
1-37 the unexpired term by the remainder of the board of directors.

1-38 (e) The board of directors [~~temporary and permanent,~~]
1-39 shall organize by electing one of their number as president and one
1-40 of their number as vice-president. A secretary, who need not be a
1-41 director, shall also be elected. Officers shall be elected for a
1-42 term of one year and vacancies shall be filled for the unexpired
1-43 term by the board of directors [~~temporary or permanent~~]. Any four
1-44 [~~five~~] members of the board of directors shall constitute a quorum
1-45 and a concurrence of four [~~five~~] shall be sufficient in all matters
1-46 pertaining to the business of the district. All members of the
1-47 board of directors and officers shall serve without compensation,
1-48 but may be reimbursed for actual expenses incurred in the
1-49 performance of their official duties on the approval of such
1-50 expenses by the board of directors and so reported in the minute
1-51 book of the district or other records of the district.

1-52 SECTION 2. Section 5, Chapter 513, Acts of the 63rd
1-53 Legislature, Regular Session, 1973, is amended to read as follows:

1-54 Sec. 5. The board of directors shall manage, control, and
1-55 administer the hospital system and all funds and resources of the
1-56 district, but in no event shall any operating, depreciation, or
1-57 building reserves be invested in any funds or securities other than
1-58 those specified in Subchapter A, Chapter 2256, Government Code
1-59 [Article 836 or 837, Revised Civil Statutes of Texas, 1925, as
1-60 amended]. The district, through its board of directors, shall have
1-61 the power and authority to sue and be sued, to promulgate rules and
1-62 regulations governing the operation of the hospital, hospital
1-63 system, its staff, and its employees. The board of directors shall
1-64 appoint a qualified person to be known as the administrator [~~or~~

2-1 ~~manager]~~ of the hospital district [~~and may in its discretion~~
 2-2 ~~appoint an assistant to the administrator or manager].~~ The
 2-3 administrator [~~or manager and assistant administrator or manager,~~
 2-4 ~~if any,~~] shall serve at the will of the board and shall receive such
 2-5 compensation as may be fixed by the board. [~~The administrator or~~
 2-6 ~~manager shall, on assuming his duties, execute a bond payable to the~~
 2-7 ~~hospital district in an amount to be set by the board of directors,~~
 2-8 ~~in no event less than \$5,000, conditioned that he shall perform the~~
 2-9 ~~duties required of him, and containing such other conditions as the~~
 2-10 ~~board may require.]~~ The administrator [~~or manager]~~ shall supervise
 2-11 all the work and activities of the district and shall have general
 2-12 direction of the affairs of the district, subject to the
 2-13 limitations as may be prescribed by the board. The board of
 2-14 directors shall have the authority to appoint to the staff such
 2-15 doctors as the board considers [~~it may be deemed~~] necessary for the
 2-16 efficient operation of the district, and may provide for temporary
 2-17 appointments to the staff if warranted by circumstances. The board
 2-18 may delegate to the administrator [~~or manager]~~ the authority to
 2-19 employ technicians, nurses, and employees of the district. The
 2-20 board shall be authorized to contract with any other political
 2-21 subdivision or governmental agency whereby the district will
 2-22 provide investigatory or other services regarding [~~as to~~] the
 2-23 medical, hospital, or welfare needs of the inhabitants of the
 2-24 district and shall be authorized to contract with any county or
 2-25 incorporated municipality located outside its boundaries for the
 2-26 care and treatment of the sick, diseased, or injured persons of any
 2-27 such county or municipality, and shall have the authority to
 2-28 contract with the State of Texas, or agencies of the federal
 2-29 government for the treatment of sick, diseased, or injured persons.

2-30 SECTION 3. Chapter 513, Acts of the 63rd Legislature,
 2-31 Regular Session, 1973, is amended by adding Section 5A to read as
 2-32 follows:

2-33 Sec. 5A. (a) The district may create and sponsor a
 2-34 nonprofit corporation under the Business Organizations Code and may
 2-35 contribute money to or solicit money for the corporation.

2-36 (b) A corporation created under this section may use money
 2-37 contributed by the district only to provide health care or other
 2-38 services the district is authorized to provide under this Act.

2-39 (c) A corporation created under this section may enter into
 2-40 a joint venture with any public or private entity or individual to
 2-41 provide health care or other services the district is authorized to
 2-42 provide under this Act.

2-43 (d) A corporation created under this section may invest the
 2-44 corporation's money in any manner in which the district may invest
 2-45 the district's money, including investing money as authorized by
 2-46 Chapter 2256, Government Code.

2-47 (e) The board of directors shall establish controls to
 2-48 ensure that the corporation uses its money as required by this
 2-49 section.

2-50 SECTION 4. Section 6, Chapter 513, Acts of the 63rd
 2-51 Legislature, Regular Session, 1973, is amended to read as follows:

2-52 Sec. 6. The district shall be operated on the basis of a
 2-53 fiscal year as established from time to time by the board of
 2-54 directors, provided such fiscal year may not be changed during the
 2-55 time revenue bonds of the district are outstanding or more than once
 2-56 in any 24-month period. The board shall cause an audit to be made of
 2-57 the financial condition of the district, which together with other
 2-58 records of the district shall be open to inspection at the principal
 2-59 office of the district. The administrator [~~or manager]~~ shall
 2-60 prepare an annual budget for approval by the board of directors.
 2-61 The budget shall also contain a complete financial statement of the
 2-62 district showing all outstanding obligations of the district, the
 2-63 cash on hand to the credit of each and every fund of the district,
 2-64 the funds received from all sources during the previous year, the
 2-65 funds available from all sources during the ensuing year, with
 2-66 balances expected at year end of the year in which the budget is
 2-67 being prepared, and estimated revenues and balances available to
 2-68 cover the proposed budget and the estimated tax rate which will be
 2-69 required. A public hearing on the annual budget shall be held by

3-1 the board of directors after notice of such hearing has been
 3-2 published one time at least 10 days before the date set therefor.
 3-3 Any person residing in the district shall have the right to be
 3-4 present and participate in the hearing. At the conclusion of the
 3-5 hearing, the budget, as proposed by the administrator, shall be
 3-6 acted on by the board of directors. The board of directors shall
 3-7 have authority to make such changes in the budget as in their
 3-8 judgment the law warrants and the interest of the taxpayers
 3-9 demands. No expenditure may be made for any expense not included in
 3-10 the annual budget or an amendment thereto. The annual budget may be
 3-11 amended from time to time as the circumstances may require, but the
 3-12 annual budget, and all amendments thereto, shall be approved by the
 3-13 board of directors. As soon as practicable after the close of each
 3-14 fiscal year, the administrator [~~or manager~~] shall prepare for the
 3-15 board a full sworn statement of all money belonging to the district
 3-16 and a full account of the disbursements of same.

3-17 SECTION 5. Section 10(b), Chapter 513, Acts of the 63rd
 3-18 Legislature, Regular Session, 1973, is amended to read as follows:

3-19 (b) The board of directors of the district shall have the
 3-20 power to prescribe the method and manner of making purchases and
 3-21 expenditures by and for the hospital district, and shall also be
 3-22 authorized to prescribe all accounting and control procedures. A
 3-23 construction contract that involves an [All contracts for
 3-24 construction involving the] expenditure of more than the amount
 3-25 provided by Section 271.024, Local Government Code, may be made
 3-26 only after competitive bidding as provided by Subchapter B, Chapter
 3-27 271, Local Government Code [of more than \$10,000 may be made only
 3-28 after advertising in the manner provided by Chapter 163, Acts of the
 3-29 42nd Legislature, Regular Session, 1931, as amended (Article 2368a,
 3-30 Vernon's Texas Civil Statutes)]. The provisions of Chapter 2253,
 3-31 Government Code, [Article 5160, Revised Civil Statutes of Texas,
 3-32 1925,] relating to performance and payment bonds shall apply to
 3-33 construction contracts let by the district. The district may
 3-34 acquire equipment for use in its hospital system and mortgage or
 3-35 pledge the property so acquired as security for the payment of the
 3-36 purchase price, but any such contract shall provide for the entire
 3-37 obligation of the district to be retired within five years from the
 3-38 date of the contract. Except as permitted in the preceding sentence
 3-39 and as permitted by Sections 7, 8, and 9, the district may incur no
 3-40 obligation payable from any revenues of the district, tax or
 3-41 otherwise, except those on hand or to be on hand within the then
 3-42 current and following fiscal year of the district.

3-43 SECTION 6. Section 17, Chapter 513, Acts of the 63rd
 3-44 Legislature, Regular Session, 1973, is amended to read as follows:

3-45 Sec. 17. Whenever a patient residing within the district
 3-46 has been admitted to the facilities thereof, the administrator [~~or~~
 3-47 ~~manager~~] may cause inquiry to be made as to his circumstances and
 3-48 those of the relatives of the patient legally liable for his
 3-49 support. If he finds that the patient or his relatives are able to
 3-50 pay for his care and treatment in whole or in part, an order shall be
 3-51 made directing the patient or his relatives to pay to the hospital
 3-52 district for the care and support of such patient a specified sum
 3-53 per week in proportion to their financial ability. The
 3-54 administrator [~~or manager~~] shall have the power and authority to
 3-55 collect such sums from the estate of the patient or his relatives
 3-56 legally liable for his support in the manner provided by law for
 3-57 collection of expenses in the last illness of a deceased person. If
 3-58 the administrator [~~or manager~~] finds that the patient or his
 3-59 relatives are not able to pay either in whole or in part for his care
 3-60 and treatment in the hospital, same shall become a charge on the
 3-61 hospital district as to the amount of the inability to pay. Should
 3-62 there be any dispute as to the ability to pay or doubt in the mind of
 3-63 the administrator [~~or manager~~], the board of directors shall hear
 3-64 and determine same after calling witnesses, and shall make such
 3-65 order or orders as may be proper. Appeals from a final order of the
 3-66 board shall lie to the district court. The substantial evidence
 3-67 rule shall apply.

3-68 SECTION 7. Chapter 513, Acts of the 63rd Legislature,
 3-69 Regular Session, 1973, is amended by adding Section 18A to read as

4-1 follows:

4-2 Sec. 18A. (a) The district may be dissolved only on
 4-3 approval of a majority of the district voters voting in an election
 4-4 held for that purpose.

4-5 (b) The board of directors may order an election on the
 4-6 question of dissolving the district and disposing of the district's
 4-7 assets. The board shall order an election if the board receives a
 4-8 petition requesting an election that is signed by a number of
 4-9 registered voters of the district equal to at least 20 percent of
 4-10 the registered voters in the district.

4-11 (c) An election on dissolution of the district shall be held
 4-12 not later than the 62nd day after the date the election is ordered.
 4-13 Section 41.001, Election Code, does not apply to an election
 4-14 ordered under this section.

4-15 (d) The order calling the election shall state:

4-16 (1) the nature of the election, including the
 4-17 proposition to appear on the ballot;

4-18 (2) the date of the election;

4-19 (3) the hours during which the polls will be open; and

4-20 (4) the location of the polling places.

4-21 (e) The board shall give notice of the election by
 4-22 publishing once a week for two consecutive weeks a substantial copy
 4-23 of the election order in a newspaper with general circulation in the
 4-24 district. The first publication must appear not later than the 35th
 4-25 day before the date set for the election.

4-26 (f) The ballot for the election shall be printed to permit
 4-27 voting for or against the proposition: "The dissolution of the
 4-28 Electra County Hospital District."

4-29 (g) If a majority of the votes in the election favor
 4-30 dissolution, the board shall order that the district be dissolved.
 4-31 If a majority of the votes in the election do not favor dissolution,
 4-32 the board shall continue to administer the district and another
 4-33 election on the question of dissolution may not be held before the
 4-34 first anniversary of the date of the most recent election to
 4-35 dissolve the district.

4-36 (h) If a majority of the votes in the election favor
 4-37 dissolution, the board shall:

4-38 (1) transfer the land, buildings, improvements,
 4-39 equipment, and other assets that belong to the district to Wichita
 4-40 County or another governmental entity in Wichita County; or

4-41 (2) administer the property, assets, and debts until
 4-42 all funds have been disposed of and all district debts have been
 4-43 paid or settled.

4-44 (i) If the district makes the transfer under Subsection
 4-45 (h)(1) of this section, the county or entity assumes all debts and
 4-46 obligations of the district at the time of the transfer, at which
 4-47 time the district is dissolved.

4-48 (j) If the district does not make the transfer under
 4-49 Subsection (h)(1) of this section, the board shall administer the
 4-50 property, assets, and debts of the district until all funds have
 4-51 been disposed of and all district debts have been paid or settled,
 4-52 at which time the district is dissolved.

4-53 (k) After the board finds that the district is dissolved,
 4-54 the board shall:

4-55 (1) determine the debt owed by the district; and

4-56 (2) impose on the property included in the district's
 4-57 tax rolls a tax that is in proportion of the debt to the property
 4-58 value.

4-59 (l) On the payment of all outstanding debts and obligations
 4-60 of the district, the board shall order the secretary to return to
 4-61 each district taxpayer the taxpayer's pro rata share of all unused
 4-62 tax money. A taxpayer may request that the taxpayer's share of
 4-63 surplus tax money be credited to the taxpayer's county taxes. If a
 4-64 taxpayer requests the credit, the board shall direct the secretary
 4-65 to transmit the funds to the county tax assessor-collector.

4-66 (m) After the district has paid all its debts and has
 4-67 disposed of all district assets and funds as prescribed by this
 4-68 section, the board shall file a written report with the
 4-69 Commissioners Court of Wichita County summarizing the board's

5-1 actions in dissolving the district. Not later than the 10th day
5-2 after the date the commissioners court receives the report and
5-3 determines that the requirements of this section have been
5-4 fulfilled, the commissioners court shall enter an order dissolving
5-5 the district and releasing the board from any further duty of
5-6 obligation.

5-7 SECTION 8. (a) The members of the board of directors of the
5-8 Electra Hospital District serving on the effective date of this Act
5-9 shall draw lots to determine in which place each director serves.
5-10 The three directors whose terms expire in 2008 shall draw lots for
5-11 Places 1, 2, and 3. The four directors whose terms expire in 2009
5-12 shall draw lots for Places 4, 5, 6, and 7.

5-13 (b) The election of the board of directors of the district
5-14 scheduled before the effective date of this Act to be held in May
5-15 2008 must be held, and the directors elected for Places 1, 2, and 3
5-16 at that election shall serve two-year terms.

5-17 (c) The election of the board of directors scheduled before
5-18 the effective date of this Act to be held in May 2009 must be held,
5-19 and the directors elected for Places 4 and 5 at that election shall
5-20 serve three-year terms. The directors elected for Places 6 and 7 at
5-21 that election shall serve two-year terms.

5-22 (d) The directors elected at the election to be held in May
5-23 2010, May 2011, and May 2012 shall serve three-year terms.

5-24 SECTION 9. This Act takes effect immediately if it receives
5-25 a vote of two-thirds of all the members elected to each house, as
5-26 provided by Section 39, Article III, Texas Constitution. If this
5-27 Act does not receive the vote necessary for immediate effect, this
5-28 Act takes effect September 1, 2007.

5-29 * * * * *