

By: Hegar

S.B. No. 1180

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the DeWitt Medical District.

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

SECTION 1. Section 4, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 4. (a) The District is governed by a Board of five directors elected at large for staggered three-year terms ~~[At said election there shall also be submitted to the resident qualified electors of said proposed District a separate ballot containing the names of all qualified persons who shall file applications, not later than twenty (20) days prior to the date set for said election, to have their names placed on said ballot for election to the Board of Directors]~~.

(b) To be qualified to serve as a director of the ~~[such]~~ District a person must be a resident of the ~~[such]~~ District and~~[7]~~ at least twenty-one years of age~~[, and have a home or a fixed place of habitation in the District]~~. An employee of the District or a person who was employed by the District at any time during the two years preceding the date of the election may not serve as a director.

(c) A regular ~~[Each voter shall vote for five persons and the five persons receiving the highest number of votes shall constitute the first Board of Directors. Said persons shall serve until the second Tuesday in January, 1967. After the initial~~

1 ~~election of directors, an~~] election shall be held each year on the
2 May uniform election date under Section 41.001, Election Code,
3 ~~[third Saturday in January each year]~~ and the appropriate number of
4 successor directors shall be elected for three-year terms. The
5 Board of Directors shall order the election in accordance with
6 Chapter 3, Election Code. Notice of the election shall be published
7 in a newspaper of general circulation in the District in accordance
8 with Section 4.003, Election Code.

9 (d) A person who wants to have the person's name printed on
10 the ballot as a candidate for director must file an application with
11 the secretary of the Board in accordance with Chapter 144, Election
12 Code ~~[This section applies only if the District boundaries are not~~
13 ~~expanded under Section 1B or 1C of this Act].~~

14 SECTION 2. Section 7, Chapter 310, Acts of the 59th
15 Legislature, Regular Session, 1965, is amended to read as follows:

16 Sec. 7. (a) At the first regular meeting of the Board of
17 Directors following the annual election of the directors, the ~~[The]~~
18 Board of Directors ~~[of said District]~~ shall elect a chair, vice
19 chair, ~~[president]~~ and secretary from their number to serve for a
20 term of one year ~~[until the next succeeding directors' election].~~
21 The Board may create additional officer positions.

22 (b) A majority of the directors shall constitute a quorum,
23 and a concurrence of a majority shall be sufficient in all matters
24 pertaining to the business of the District.

25 (c) Not by way of limitation, the Board shall have the
26 complete management and control of all the business of the
27 District, including but not limited to the power and authority to

1 negotiate and contract with any person or body, public or private,
2 to purchase or lease land, to construct and equip a hospital system,
3 and to operate and maintain a hospital or hospitals, and to
4 negotiate and contract with other political subdivisions of the
5 State or private individuals, associations or corporations for such
6 purposes, all as may be determined to be necessary or desirable for
7 the [said] District by the [said] Board.

8 (d) The District, through the Board of Directors, may
9 contract with the Nixon Hospital District of Gonzales and Wilson
10 Counties, Texas, for the District to lease, manage, or operate a
11 health care facility located in the Nixon Hospital District of
12 Gonzales and Wilson Counties, Texas.

13 (e) The [and said] Board shall have all powers necessary,
14 convenient or incidental to carry out the purposes for which the
15 [said] District is created.

16 (f) The Board of Directors of the [said] District shall
17 serve without compensation but may be reimbursed for actual
18 expenses incurred by them in the performance of their official
19 duties upon the approval of such expenses by the Board of Directors
20 thereof.

21 (g) All vacancies in the office of director shall be filled
22 for the unexpired term by appointment of the remainder of the Board.
23 If the number of directors is reduced to less than three (3), the
24 remaining directors shall immediately call a special election to
25 fill the [said] vacancies. Upon failure to do so, a District Court
26 may, upon application of any voter or taxpayer of the District,
27 issue a mandate requiring the [such] directors to call and hold an

1 ~~such~~ election.

2 (h) The Board of Directors shall appoint a qualified person
3 as District administrator. The administrator serves at the will of
4 the Board and shall receive the compensation determined by the
5 Board. The Board shall require that before assuming the duties as
6 administrator, a person must execute a bond payable to the District
7 in an amount set by the Board of not less than \$5,000 that is
8 conditioned on the performance of the administrator's duties. The
9 Board may pay for the bond with District funds. Subject to the
10 limitations prescribed by the Board, the administrator shall
11 supervise the work and activities of the District and direct the
12 affairs of the District.

13 (i) The Board may contract with doctors or appoint doctors
14 to the medical staff and may employ technicians, nurses, and other
15 employees the Board considers necessary for the efficient operation
16 of the District. The Board may delegate that authority to the
17 District administrator.

18 SECTION 3. Section 7A, Chapter 310, Acts of the 59th
19 Legislature, Regular Session, 1965, is amended to read as follows:

20 Sec. 7A. The District may provide emergency medical
21 services, home health care services, long-term health care
22 services, assisted living services, or any other appropriate health
23 care services the Board of Directors determines are necessary to
24 meet the needs of the District.

25 SECTION 4. Section 9, Chapter 310, Acts of the 59th
26 Legislature, Regular Session, 1965, is amended to read as follows:

27 Sec. 9. The Tax Code governs the appraisal, assessment, and

1 collection of District taxes. The Board may provide for the
2 appointment of a tax assessor-collector for the District or may
3 contract for the assessment and collection of taxes as provided by
4 the Tax Code [~~Not later than October 1 of each year the Board of~~
5 ~~Directors shall levy the tax on all property within the District~~
6 ~~which is subject to taxation and shall immediately certify such~~
7 ~~rate to the County tax assessor and collector of DeWitt County. The~~
8 ~~tax so levied shall be collected, on all property subject to~~
9 ~~District taxation, by said assessor and collector on said County~~
10 ~~tax values, and in the same manner and under the same conditions as~~
11 ~~said County taxes. The amount of said annual District tax may be~~
12 ~~included on the annual County tax statements mailed or sent out by~~
13 ~~said County assessor and collector. Said assessor and collector~~
14 ~~shall charge and deduct from payments to such District the fees for~~
15 ~~assessing and collecting the tax at the rate of not exceeding 1-1/2~~
16 ~~per cent of the amounts collected as may be determined by the~~
17 ~~District's Board of Directors but in no event in excess of \$10,000~~
18 ~~for any one fiscal year. Interests and penalties on taxes paid such~~
19 ~~District shall be the same as for said County taxes. The remainder~~
20 ~~of tax collections, after deduction of discounts and fees for~~
21 ~~assessing and collecting, shall be deposited in the District's~~
22 ~~depository and may be withdrawn as directed by said District's~~
23 ~~Board of Directors. All other income of such District shall be~~
24 ~~deposited in said depository. Said Board shall have authority to~~
25 ~~levy said tax for the entire year in which said District is~~
26 ~~established to obtain funds to initiate the operation of the~~
27 ~~District].~~

1 SECTION 5. Section 12, Chapter 310, Acts of the 59th
2 Legislature, Regular Session, 1965, is amended to read as follows:

3 Sec. 12. (a) The Board of Directors shall have the power
4 and authority to issue and sell, as the obligations of the [~~such~~]
5 District, and in the name and upon the faith and credit of the
6 [~~such~~] District, general obligation bonds authorized by an election
7 for the purchase, construction, acquisition, repair or renovation
8 of buildings and improvements and equipping the same for hospital
9 purposes and for any or all of such purposes. The [~~Said~~] bonds
10 shall be sold at the [~~such~~] time or times, in the [~~such~~] manner, at
11 the [~~such~~] price and on the [~~such~~] terms as may be determined by the
12 [~~said~~] Board. At the time of issuance of any general obligation
13 bonds, [A] sufficient annual tax shall be levied to create an
14 interest and sinking fund to pay the interest on and principal of
15 the [~~said~~] bonds as same mature, providing the [~~said~~] tax together
16 with any other taxes levied for the [~~said~~] District shall not exceed
17 a rate of seventy-five cents (75¢) on each [~~the~~] One Hundred Dollar
18 valuation of all taxable property within the [~~said~~] District in any
19 one year.

20 (b) District [~~Such~~] bonds shall be executed in the name of
21 the District and on its behalf by the president of the Board of
22 Directors, countersigned by the secretary of the [~~said~~] Board, and
23 shall be subject to the same requirements in the manner of approval
24 [~~thereof~~] by the Attorney General of the State of Texas and the
25 registration [~~thereof~~] by the Comptroller of Public Accounts of the
26 State of Texas as are provided by Chapter 1202, Government Code [~~by~~
27 ~~law provided for such approval and registration of bonds of~~

1 ~~counties of this State. Upon the approval of such bonds by the~~
2 ~~Attorney General of Texas and registration by the Comptroller, the~~
3 ~~same shall be incontestable for any cause]. Until the [such] time~~
4 ~~[as] the bond proceeds are needed to carry out the bond purpose, the~~
5 ~~[such] proceeds may be invested in direct obligations of the United~~
6 ~~States of America or may be placed on time deposit, or both.~~

7 (c) No general obligation bonds~~[, except refunding bonds,]~~
8 shall be issued by the [such] District until authorized by a
9 majority vote of the ~~[duly qualified resident electors of said]~~
10 District voters voting in an election called ~~[and held for such~~
11 ~~purpose. Such election shall be called, except as provided in~~
12 ~~Section 6,]~~ by the Board of Directors on its own motion, and the
13 ~~[order calling said] election shall be conducted in accordance with~~
14 Chapter 1251, Government Code ~~[specify the date of same, the place~~
15 ~~or places where the election shall be held, the presiding officers~~
16 ~~thereof, the purpose for which the bonds are to be issued, the~~
17 ~~amount thereof, maximum interest (not to exceed that provided by~~
18 ~~Chapter 3, Acts of the 61st Legislature, Regular Session, 1969~~
19 ~~(Article 717k-2, Vernon's Texas Civil Statutes), and the maximum~~
20 ~~maturity date of such bonds (not to exceed forty (40) years from~~
21 ~~their date or dates of issuance). Notice of said election shall be~~
22 ~~given by publishing a substantial copy of the order calling the~~
23 ~~election in a newspaper of general circulation within the area of~~
24 ~~such District once a week for two consecutive weeks, the date of the~~
25 ~~first publication to be at least fourteen (14) days prior to the~~
26 ~~date set for said election. Said bonds may be made optional for~~
27 ~~redemption prior to their maturity date at the discretion of the~~

1 ~~Board of Directors]~~.

2 (d) The District may, without election, issue refunding
3 bonds to refund or pay off any validly issued and outstanding
4 District bonds issued or assumed by the District. Refunding bonds
5 shall be issued in accordance with Chapter 1207, Government Code~~[~~
6 ~~or both, provided that such refunding bonds shall bear interest at~~
7 ~~the same rate or at a lesser rate than the bonds being refunded,~~
8 ~~unless it be shown mathematically that a savings will result in the~~
9 ~~total amount of interest to be paid]~~.

10 (e) The Board may issue and sell revenue bonds in the name
11 and on the faith and credit of the District to purchase, construct,
12 acquire, repair, renovate, or equip buildings or improvements for
13 District purposes. The bonds shall be payable from and secured by a
14 pledge of all or part of the revenues derived from the operation of
15 the District's hospital system. The bonds may be additionally
16 secured by a mortgage or deed of trust lien on all or part of the
17 District's property. The revenue bonds shall be issued in the
18 manner provided by Sections 264.042, 264.043, and 264.046-264.049,
19 Health and Safety Code, for the issuance of revenue bonds by county
20 hospital authorities.

21 SECTION 6. Subsections (a) and (b), Section 12A, Chapter
22 310, Acts of the 59th Legislature, Regular Session, 1965, are
23 amended to read as follows:

24 (a) The ~~[If the]~~ Board ~~[of Directors declares that funds are~~
25 ~~not available to meet lawfully authorized obligations of the~~
26 ~~District, and that an emergency exists, the Board]~~ may borrow money
27 at a rate not to exceed the maximum annual percentage rate allowed

1 by law for District obligations at the time of the loan [~~is made~~].

2 (b) To secure a loan, the Board may pledge:

3 (1) revenues of the District that are not pledged to
4 pay bonded indebtedness of the District;

5 (2) District taxes to be levied by the District during
6 [~~in~~] the [~~next~~] 12-month period following the date of the pledge
7 that are not pledged to pay the principal of or interest on District
8 bonds; or

9 (3) District bonds that have been authorized but not
10 sold.

11 SECTION 7. Section 4A and Subsection (d), Section 12A,
12 Chapter 310, Acts of the 59th Legislature, Regular Session, 1965,
13 are repealed.

14 SECTION 8. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2007.