

1-1 By: Hegar S.B. No. 1180
1-2 (In the Senate - Filed March 6, 2007; March 14, 2007, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; March 29, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 3, Nays 0;
1-6 March 29, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1180 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the powers and duties of the DeWitt Medical District.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. Section 4, Chapter 310, Acts of the 59th
1-13 Legislature, Regular Session, 1965, is amended to read as follows:
1-14 Sec. 4. (a) The District is governed by a Board of five
1-15 directors elected at large for staggered three-year terms [~~At said~~
1-16 ~~election there shall also be submitted to the resident qualified~~
1-17 ~~electors of said proposed District a separate ballot containing the~~
1-18 ~~names of all qualified persons who shall file applications, not~~
1-19 ~~later than twenty (20) days prior to the date set for said election,~~
1-20 ~~to have their names placed on said ballot for election to the Board~~
1-21 ~~of Directors~~].
1-22 (b) To be qualified to serve as a director of the [~~such~~]
1-23 District a person must be a resident of the [~~such~~] District and [~~7~~]
1-24 at least twenty-one years of age [~~, and have a home or a fixed place~~
1-25 ~~of habitation in the District~~]. An employee of the District or a
1-26 person who was employed by the District at any time during the two
1-27 years preceding the date of the election may not serve as a
1-28 director.
1-29 (c) A regular [~~Each voter shall vote for five persons and~~
1-30 ~~the five persons receiving the highest number of votes shall~~
1-31 ~~constitute the first Board of Directors. Said persons shall serve~~
1-32 ~~until the second Tuesday in January, 1967. After the initial~~
1-33 ~~election of directors, an] election shall be held each year on the~~
1-34 May uniform election date under Section 41.001, Election Code,
1-35 [third Saturday in January each year] and the appropriate number of
1-36 successor directors shall be elected for three-year terms. The
1-37 Board of Directors shall order the election in accordance with
1-38 Chapter 3, Election Code. Notice of the election shall be published
1-39 in a newspaper of general circulation in the District in accordance
1-40 with Section 4.003, Election Code.
1-41 (d) A person who wants to have the person's name printed on
1-42 the ballot as a candidate for director must file an application with
1-43 the secretary of the Board in accordance with Chapter 144, Election
1-44 Code [~~This section applies only if the District boundaries are not~~
1-45 ~~expanded under Section 1B or 1C of this Act~~].
1-46 SECTION 2. Section 7, Chapter 310, Acts of the 59th
1-47 Legislature, Regular Session, 1965, is amended to read as follows:
1-48 Sec. 7. (a) At the first regular meeting of the Board of
1-49 Directors following the annual election of the directors, the [The]
1-50 Board of Directors [of said District] shall elect a chair, vice
1-51 chair, [president] and secretary from their number to serve for a
1-52 term of one year [until the next succeeding directors' election].
1-53 The Board may create additional officer positions.
1-54 (b) A majority of the directors shall constitute a quorum,
1-55 and a concurrence of a majority shall be sufficient in all matters
1-56 pertaining to the business of the District.
1-57 (c) Not by way of limitation, the Board shall have the
1-58 complete management and control of all the business of the
1-59 District, including but not limited to the power and authority to
1-60 negotiate and contract with any person or body, public or private,
1-61 to purchase or lease land, to construct and equip a hospital system,
1-62 and to operate and maintain a hospital or hospitals, and to
1-63 negotiate and contract with other political subdivisions of the

2-1 State or private individuals, associations or corporations for such
 2-2 purposes, all as may be determined to be necessary or desirable for
 2-3 the ~~[said]~~ District by the ~~[said]~~ Board.

2-4 (d) The District, through the Board of Directors, may
 2-5 contract with the Nixon Hospital District of Gonzales and Wilson
 2-6 Counties, Texas, for the District to lease, manage, or operate a
 2-7 health care facility located in the Nixon Hospital District of
 2-8 Gonzales and Wilson Counties, Texas.

2-9 (e) The ~~[, and said]~~ Board shall have all powers necessary,
 2-10 convenient or incidental to carry out the purposes for which the
 2-11 ~~[said]~~ District is created.

2-12 (f) The Board of Directors of the ~~[said]~~ District shall
 2-13 serve without compensation but may be reimbursed for actual
 2-14 expenses incurred by them in the performance of their official
 2-15 duties upon the approval of such expenses by the Board of Directors
 2-16 thereof.

2-17 (g) All vacancies in the office of director shall be filled
 2-18 for the unexpired term by appointment of the remainder of the Board.
 2-19 If the number of directors is reduced to less than three (3), the
 2-20 remaining directors shall immediately call a special election to
 2-21 fill the ~~[said]~~ vacancies. Upon failure to do so, a District Court
 2-22 may, upon application of any voter or taxpayer of the District,
 2-23 issue a mandate requiring the ~~[such]~~ directors to call and hold an
 2-24 ~~[such]~~ election.

2-25 (h) The Board of Directors shall appoint a qualified person
 2-26 as District administrator. The administrator serves at the will of
 2-27 the Board and shall receive the compensation determined by the
 2-28 Board. The Board shall require that before assuming the duties as
 2-29 administrator, a person must execute a bond payable to the District
 2-30 in an amount set by the Board of not less than \$5,000 that is
 2-31 conditioned on the performance of the administrator's duties. The
 2-32 Board may pay for the bond with District funds. Subject to the
 2-33 limitations prescribed by the Board, the administrator shall
 2-34 supervise the work and activities of the District and direct the
 2-35 affairs of the District.

2-36 (i) The Board may contract with doctors or appoint doctors
 2-37 to the medical staff and may employ technicians, nurses, and other
 2-38 employees the Board considers necessary for the efficient operation
 2-39 of the District. The Board may delegate that authority to the
 2-40 District administrator.

2-41 SECTION 3. Section 7A, Chapter 310, Acts of the 59th
 2-42 Legislature, Regular Session, 1965, is amended to read as follows:

2-43 Sec. 7A. The District may provide emergency medical
 2-44 services, home health care services, long-term health care
 2-45 services, assisted living services, or any other appropriate health
 2-46 care services the Board of Directors determines are necessary to
 2-47 meet the needs of the District.

2-48 SECTION 4. Section 9, Chapter 310, Acts of the 59th
 2-49 Legislature, Regular Session, 1965, is amended to read as follows:

2-50 Sec. 9. The Tax Code governs the appraisal, assessment, and
 2-51 collection of District taxes. The Board may provide for the
 2-52 appointment of a tax assessor-collector for the District or may
 2-53 contract for the assessment and collection of taxes as provided by
 2-54 the Tax Code ~~[Not later than October 1 of each year the Board of~~
 2-55 ~~Directors shall levy the tax on all property within the District~~
 2-56 ~~which is subject to taxation and shall immediately certify such~~
 2-57 ~~rate to the County tax assessor and collector of DeWitt County. The~~
 2-58 ~~tax so levied shall be collected, on all property subject to~~
 2-59 ~~District taxation, by said assessor and collector on said County~~
 2-60 ~~tax values, and in the same manner and under the same conditions as~~
 2-61 ~~said County taxes. The amount of said annual District tax may be~~
 2-62 ~~included on the annual County tax statements mailed or sent out by~~
 2-63 ~~said County assessor and collector. Said assessor and collector~~
 2-64 ~~shall charge and deduct from payments to such District the fees for~~
 2-65 ~~assessing and collecting the tax at the rate of not exceeding 1-1/2~~
 2-66 ~~per cent of the amounts collected as may be determined by the~~
 2-67 ~~District's Board of Directors but in no event in excess of \$10,000~~
 2-68 ~~for any one fiscal year. Interests and penalties on taxes paid such~~
 2-69 ~~District shall be the same as for said County taxes. The remainder~~

3-1 ~~of tax collections, after deduction of discounts and fees for~~
 3-2 ~~assessing and collecting, shall be deposited in the District's~~
 3-3 ~~depository and may be withdrawn as directed by said District's~~
 3-4 ~~Board of Directors. All other income of such District shall be~~
 3-5 ~~deposited in said depository. Said Board shall have authority to~~
 3-6 ~~levy said tax for the entire year in which said District is~~
 3-7 ~~established to obtain funds to initiate the operation of the~~
 3-8 ~~District].~~

3-9 SECTION 5. Section 12, Chapter 310, Acts of the 59th
 3-10 Legislature, Regular Session, 1965, is amended to read as follows:

3-11 Sec. 12. (a) The Board of Directors shall have the power
 3-12 and authority to issue and sell, as the obligations of the [such]
 3-13 District, and in the name and upon the faith and credit of the
 3-14 [such] District, general obligation bonds authorized by an election
 3-15 for the purchase, construction, acquisition, repair or renovation
 3-16 of buildings and improvements and equipping the same for hospital
 3-17 purposes and for any or all of such purposes. The [Said] bonds
 3-18 shall be sold at the [such] time or times, in the [such] manner, at
 3-19 the [such] price and on the [such] terms as may be determined by the
 3-20 [said] Board. At the time of issuance of any general obligation
 3-21 bonds, [A] sufficient annual tax shall be levied to create an
 3-22 interest and sinking fund to pay the interest on and principal of
 3-23 the [said] bonds as same mature, providing the [said] tax together
 3-24 with any other taxes levied for the [said] District shall not exceed
 3-25 a rate of seventy-five cents (75¢) on each [the] One Hundred Dollar
 3-26 valuation of all taxable property within the [said] District in any
 3-27 one year.

3-28 (b) District [Such] bonds shall be executed in the name of
 3-29 the District and on its behalf by the president of the Board of
 3-30 Directors, countersigned by the secretary of the [said] Board, and
 3-31 shall be subject to the same requirements in the manner of approval
 3-32 [thereof] by the Attorney General of the State of Texas and the
 3-33 registration [thereof] by the Comptroller of Public Accounts of the
 3-34 State of Texas as are provided by Chapter 1202, Government Code [by
 3-35 law provided for such approval and registration of bonds of
 3-36 counties of this State. Upon the approval of such bonds by the
 3-37 Attorney General of Texas and registration by the Comptroller, the
 3-38 same shall be incontestable for any cause]. Until the [such] time
 3-39 [as] the bond proceeds are needed to carry out the bond purpose, the
 3-40 [such] proceeds may be invested in direct obligations of the United
 3-41 States of America or may be placed on time deposit, or both.

3-42 (c) No general obligation bonds[, except refunding bonds,]
 3-43 shall be issued by the [such] District until authorized by a
 3-44 majority vote of the [duly qualified resident electors of said]
 3-45 District voters voting in an election called [and held for such
 3-46 purpose. Such election shall be called, except as provided in
 3-47 Section 6,] by the Board of Directors on its own motion, and the
 3-48 [order calling said] election shall be conducted in accordance with
 3-49 Chapter 1251, Government Code [specify the date of same, the place
 3-50 or places where the election shall be held, the presiding officers
 3-51 thereof, the purpose for which the bonds are to be issued, the
 3-52 amount thereof, maximum interest (not to exceed that provided by
 3-53 Chapter 3, Acts of the 61st Legislature, Regular Session, 1969
 3-54 (Article 717k-2, Vernon's Texas Civil Statutes), and the maximum
 3-55 maturity date of such bonds (not to exceed forty (40) years from
 3-56 their date or dates of issuance). Notice of said election shall be
 3-57 given by publishing a substantial copy of the order calling the
 3-58 election in a newspaper of general circulation within the area of
 3-59 such District once a week for two consecutive weeks, the date of the
 3-60 first publication to be at least fourteen (14) days prior to the
 3-61 date set for said election. Said bonds may be made optional for
 3-62 redemption prior to their maturity date at the discretion of the
 3-63 Board of Directors].

3-64 (d) The District may, without election, issue refundng
 3-65 bonds to refund or pay off any validly issued and outstanding
 3-66 District bonds issued or assumed by the District. Refunding bonds
 3-67 shall be issued in accordance with Chapter 1207, Government Code[,
 3-68 or both, provided that such refundng bonds shall bear interest at
 3-69 the same rate or at a lesser rate than the bonds being refunded,

4-1 ~~unless it be shown mathematically that a savings will result in the~~
4-2 ~~total amount of interest to be paid].~~

4-3 (e) The Board may issue and sell revenue bonds in the name
4-4 and on the faith and credit of the District to purchase, construct,
4-5 acquire, repair, renovate, or equip buildings or improvements for
4-6 District purposes. The bonds shall be payable from and secured by a
4-7 pledge of all or part of the revenues derived from the operation of
4-8 the District's hospital system. The bonds may be additionally
4-9 secured by a mortgage or deed of trust lien on all or part of the
4-10 District's property. The revenue bonds shall be issued in the
4-11 manner provided by Sections 264.042, 264.043, and 264.046-264.049,
4-12 Health and Safety Code, for the issuance of revenue bonds by county
4-13 hospital authorities.

4-14 SECTION 6. Subsections (a) and (b), Section 12A, Chapter
4-15 310, Acts of the 59th Legislature, Regular Session, 1965, are
4-16 amended to read as follows:

4-17 (a) ~~The [If the] Board [of Directors declares that funds are~~
4-18 ~~not available to meet lawfully authorized obligations of the~~
4-19 ~~District, and that an emergency exists, the Board]~~ may borrow money
4-20 at a rate not to exceed the maximum annual percentage rate allowed
4-21 by law for District obligations at the time of the loan ~~[is made].~~

4-22 (b) To secure a loan, the Board may pledge:
4-23 (1) revenues of the District that are not pledged to
4-24 pay bonded indebtedness of the District;
4-25 (2) District taxes to be levied by the District during
4-26 ~~[in]~~ the ~~[next]~~ 12-month period following the date of the pledge
4-27 that are not pledged to pay the principal of or interest on District
4-28 bonds; or

4-29 (3) District bonds that have been authorized but not
4-30 sold.

4-31 SECTION 7. Section 4A and Subsection (d), Section 12A,
4-32 Chapter 310, Acts of the 59th Legislature, Regular Session, 1965,
4-33 are repealed.

4-34 SECTION 8. This Act takes effect immediately if it receives
4-35 a vote of two-thirds of all the members elected to each house, as
4-36 provided by Section 39, Article III, Texas Constitution. If this
4-37 Act does not receive the vote necessary for immediate effect, this
4-38 Act takes effect September 1, 2007.

4-39 * * * * *