

SENATE AMENDMENTS

2nd Printing

By: Hill

H.B. No. 2168

A BILL TO BE ENTITLED

AN ACT

relating to the powers of municipal and county hospital authorities and hospital districts created under general or special law.

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

SECTION 1. Subchapter C, Chapter 262, Health and Safety Code, is amended by adding Sections 262.037 and 262.038 to read as follows:

Sec. 262.037. ESTABLISHMENT OF NONPROFIT CORPORATION. (a) The authority may form and sponsor a nonprofit corporation under the Texas Nonprofit Corporation Law, as described by Section 1.008, Business Organizations Code, to own and operate all or part of one or more ancillary health care facilities consistent with the purposes of an authority under this chapter.

(b) The board shall appoint the board of directors of a nonprofit corporation formed under this section.

(c) The authority may contribute money to or solicit money for the nonprofit corporation. If the authority contributes or solicits money for the corporation, the authority shall establish procedures and controls sufficient to ensure that the money is used by the corporation for public purposes.

(d) A nonprofit corporation formed under this section has the same powers as a development corporation under Section 221.030.

Sec. 262.038. HOSPITAL AUTHORITY CONTRACTS, COLLABORATIONS, AND JOINT VENTURES. The authority may, directly or

1 through any nonprofit corporation formed by the authority,
2 contract, collaborate, or enter into a joint venture with any
3 public or private entity as necessary to carry out the functions of
4 or provide services to the authority.

5 SECTION 2. Subchapter C, Chapter 264, Health and Safety
6 Code, is amended by adding Sections 264.035 and 264.036 to read as
7 follows:

8 Sec. 264.035. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)
9 The authority may form and sponsor a nonprofit corporation under
10 the Texas Nonprofit Corporation Law, as described by Section 1.008,
11 Business Organizations Code, to own and operate all or part of one
12 or more ancillary health care facilities consistent with the
13 purposes of an authority under this chapter.

14 (b) The board shall appoint the board of directors of a
15 nonprofit corporation formed under this section.

16 (c) The authority may contribute money to or solicit money
17 for the nonprofit corporation. If the authority contributes or
18 solicits money for the corporation, the authority shall establish
19 procedures and controls sufficient to ensure that the money is used
20 by the corporation for public purposes.

21 (d) A nonprofit corporation formed under this section has
22 the same powers as a development corporation under Section 221.030.

23 Sec. 264.036. HOSPITAL AUTHORITY CONTRACTS,
24 COLLABORATIONS, AND JOINT VENTURES. The authority may, directly or
25 through any nonprofit corporation formed by the authority,
26 contract, collaborate, or enter into a joint venture with any
27 public or private entity as necessary to carry out the functions of

1 or provide services to the authority.

2 SECTION 3. Section 285.091(a), Health and Safety Code, is
3 amended to read as follows:

4 (a) A hospital district created under general or special law
5 may, directly or through a nonprofit corporation created or formed
6 by the district, contract, collaborate, or enter into a joint
7 venture with any public or private entity as necessary to [~~form or~~]
8 carry out the functions of or provide services to the district [~~an~~
9 ~~intergovernmental initiative under Section 16B, Article 4413(502),~~
10 ~~Revised Statutes~~].

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

ADOPTED

MAY 15 2007

Leta Spaw
Secretary of the Senate

By: Carona

H.B. No. 2168

Substitute the following for H.B. No. 2168:

By: Wentworth

C.S. H.B. No. 2168

A BILL TO BE ENTITLED

1 AN ACT <EOH>

2 relating to the powers of municipal and county hospital
3 authorities and hospital districts created under general or
4 special law.

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

6 SECTION 1. Subchapter C, Chapter 262, Health and Safety
7 Code, is amended by adding Sections 262.037 and 262.038 to read
8 as follows:

9 Sec. 262.037. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)
10 The authority may form and sponsor a nonprofit corporation under
11 the Texas Nonprofit Corporation Law, as described by Section
12 1.008, Business Organizations Code, to own and operate all or
13 part of one or more ancillary health care facilities consistent
14 with the purposes of an authority under this chapter.

15 (b) The board shall appoint the board of directors of a
16 nonprofit corporation formed under this section.

17 (c) The authority may contribute money to or solicit money
18 for the nonprofit corporation. If the authority contributes
19 money to or solicits money for the corporation, the authority
20 shall establish procedures and controls sufficient to ensure
21 that the money is used by the corporation for public purposes.

22 (d) A nonprofit corporation formed under this section has
23 the same powers as a development corporation under Section

14

1 221.030.

2 (e) A nonprofit corporation formed under this section
3 shall comply with Chapter 2258, Government Code, in the same
4 manner and to the same extent that the authority is required to
5 comply with that chapter.

6 Sec. 262.038. HOSPITAL AUTHORITY CONTRACTS,
7 COLLABORATIONS, AND JOINT VENTURES. The authority may, directly
8 or through any nonprofit corporation formed by the authority,
9 contract, collaborate, or enter into a joint venture with any
10 public or private entity as necessary to carry out the functions
11 of or provide services to the authority.

12 SECTION 2. Subchapter C, Chapter 264, Health and Safety
13 Code, is amended by adding Sections 264.035 and 264.036 to read
14 as follows:

15 Sec. 264.035. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)
16 The authority may form and sponsor a nonprofit corporation under
17 the Texas Nonprofit Corporation Law, as described by Section
18 1.008, Business Organizations Code, to own and operate all or
19 part of one or more ancillary health care facilities consistent
20 with the purposes of an authority under this chapter.

21 (b) The board shall appoint the board of directors of a
22 nonprofit corporation formed under this section.

23 (c) The authority may contribute money to or solicit money
24 for the nonprofit corporation. If the authority contributes
25 money to or solicits money for the corporation, the authority
26 shall establish procedures and controls sufficient to ensure

1 that the money is used by the corporation for public purposes.

2 (d) A nonprofit corporation formed under this section has
3 the same powers as a development corporation under Section
4 221.030.

5 (e) A nonprofit corporation formed under this section
6 shall comply with Chapter 2258, Government Code, in the same
7 manner and to the same extent that the authority is required to
8 comply with that chapter.

9 Sec. 264.036. HOSPITAL AUTHORITY CONTRACTS,
10 COLLABORATIONS, AND JOINT VENTURES. The authority may, directly
11 or through any nonprofit corporation formed by the authority,
12 contract, collaborate, or enter into a joint venture with any
13 public or private entity as necessary to carry out the functions
14 of or provide services to the authority.

15 SECTION 3. Section 285.091(a), Health and Safety Code, is
16 amended to read as follows:

17 (a) A hospital district created under general or special
18 law may, directly or through a nonprofit corporation created or
19 formed by the district, contract, collaborate, or enter into a
20 joint venture with any public or private entity as necessary to
21 ~~[form or]~~ carry out the functions of or provide services to the
22 district ~~[an intergovernmental initiative under Section 16B,~~
23 ~~Article 4413(502), Revised Statutes]~~.

24 SECTION 4. Chapter 285, Health and Safety Code, is amended
25 by adding Subchapter O to read as follows:

26 SUBCHAPTER O. NONPROFIT CORPORATION CREATED OR FORMED BY

3

1 DISTRICT

2 Sec. 285.301. ESTABLISHMENT OF NONPROFIT CORPORATION. (a)

3 A hospital district created under general or special law may
4 form and sponsor a nonprofit corporation under the Texas
5 Nonprofit Corporation Law, as described by Section 1.008,
6 Business Organizations Code, to own and operate all or part of
7 one or more ancillary health care facilities consistent with the
8 purposes of the district.

9 (b) The governing body of the hospital district shall
10 appoint the board of directors of a nonprofit corporation formed
11 under this section.

12 (c) The hospital district may contribute money to or
13 solicit money for the nonprofit corporation. If the district
14 contributes money to or solicits money for the corporation, the
15 district shall establish procedures and controls sufficient to
16 ensure that the money is used by the corporation for public
17 purposes.

18 (d) A nonprofit corporation formed under this section has
19 the same powers as a development corporation under Section
20 221.030.

21 Sec. 285.302. COMPLIANCE BY NONPROFIT CORPORATION WITH
22 CERTAIN LAWS. A nonprofit corporation created or formed under
23 this subchapter or other law by a hospital district that is
24 created under general or special law shall comply with Chapter
25 2258, Government Code, in the same manner and to the same extent
26 that the hospital district that created or formed the

1 corporation is required to comply with that chapter.

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2168 by Hill (Relating to the powers of municipal and county hospital authorities and hospital districts created under general or special law.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would add Subchapter C to Chapter 262 and Subchapter O to Chapter 285, Health and Safety Code, to authorize municipal and county hospital authorities and hospital districts created under general law to form and sponsor a nonprofit corporation. A nonprofit corporation formed under either subchapter would be required to comply in the same manner and to the same extent that the authority is required to comply with the applicable chapter.

Local Government Impact

Applicable local governmental entities indicated that if the provisions of the bill were to be implemented, the entity could implement those provisions with existing resources.

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 1, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2168 by Hill (Relating to the powers of municipal and county hospital authorities and hospital districts created under general or special law.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would add Subchapter C to Chapter 262, Health and Safety Code, to authorize municipal and county hospital authorities and hospital districts created under general law to form and sponsor a nonprofit corporation.

Local Government Impact

Applicable local governmental entities indicated that if the provisions of the bill were to be implemented, the entity could implement them within existing resources.

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, DB

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LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 11, 2007

TO: Honorable Will Hartnett, Chair, House Committee on Judiciary

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2168 by Hill (Relating to the powers of municipal and county hospital authorities and hospital districts created under general or special law.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Subchapter C to Chapter 262, Health and Safety Code, to authorize municipal and county hospital authorities and hospital districts created under general law to form and sponsor a nonprofit corporation.

Local Government Impact

Applicable local governmental entities indicated that if the provisions of the bill were to be implemented, the entity could do so within existing resources.

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, DB