

BILL ANALYSIS

C.S.H.B. 781
By: Farabee
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The law creating the Electra Hospital District was passed by the 58th Legislature, Regular Session, 1973. Updates to the original statute are needed to allow the district to engage in current business practices and to clarify language relating to the election of directors.

C.S.H.B. 781 requires a director's election be held on the uniform election date and requires the directors to serve staggered three-year terms. The bill also authorizes the district to pursue bond financing in the future.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 781 amends the Special Districts Local Laws Code to establish that the seven directors of the Electra Hospital District board are elected at large by place for staggered three-year terms, rather than elected from the district at large for staggered two-year terms or, if established under other law, four-year terms. The bill requires a director's election to be held each year on the May uniform election date, and requires the members of the board of directors of the district serving on the effective date of this bill to draw lots to determine in which place each director serves. The bill requires the four directors whose terms expire in 2010 to draw lots for Places 4, 5, 6, and 7, and requires the three directors whose terms expire in 2011 to draw lots for Places 1, 2, and 3. The bill requires the election of the board of directors to be held in May 2010 to be held, and requires the directors elected for Places 4 and 5 at that election to serve three-year terms and the directors elected for Places 6 and 7 to serve two-year terms. The bill requires the directors elected at the election to be held in May 2011, May 2012, and May 2013 to serve three-year terms.

C.S.H.B. 781 authorizes the board to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for the district obligations at the time of the loan, and sets forth requirements for securing a loan. The bill requires a loan secured by taxes or bonds to mature not later than the first anniversary of the date the loan is made and a loan secured by district revenue to mature not later than the fifth anniversary of the date the loan is made.

C.S.H.B. 781 authorizes the board to provide for the security and payment of district bonds from a pledge of a combination of property taxes and revenue and other sources as otherwise authorized by law, in addition to the board's authority to issue general obligation bonds and revenue bonds. The bill sets forth the authorized uses for proceeds of these bonds.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 781 removes provisions in the original authorizing the board of directors of the Electra Hospital District to employ physicians, dentists, and podiatrists as the board considers necessary and providing that this authorization is not to be construed as authorizing the board to supervise or control the practice of medicine as prohibited by the Medical Practice Act. The substitute removes provisions in the original authorizing the district to establish a comprehensive program to provide income and medical benefits to a district employee who sustains an injury that arises out of and in the course and scope of employment and exempting the district from providing workers' compensation benefits to the extent required by other law if the program is established.

C.S.H.B. 781 adds provisions not in the original to amend the method of election and the length of terms of the directors of the district board.