

BILL ANALYSIS

C.S.H.B. 4730
By: Craddick
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The act creating the Martin County Hospital District was passed in 1967 by the 60th Legislature, Regular Session, and has never been amended. The district wants to amend the legislation to clarify the organization of the district's board of managers and its officers and the qualifications to be a member of the board of managers. The district would like the authority to pay for the administrator's bond with district funds. The district also seeks to amend the legislation to authorize the issuance of revenue bonds and alternative means to secure repayment of bonds. Finally, the district would like to add provisions regarding procedures for dissolution of the district.

C.S.H.B. 4730 clarifies the organization of the district's board of managers, its officers, and the qualifications to be a member of the board of managers. The bill authorizes the district to pay the administrator's bond with district funds. The bill authorizes the district to issue revenue bonds, and to pledge a combination of property taxes, revenue, and other sources for the security and payment of district bonds and sets forth the authorized uses for the proceeds. The bill updates the district's authorization to issue general obligation bonds, providing that general obligation bonds may be issued only if the bonds are authorized by a majority of the voters of the district voting in an election held for that purpose, and setting forth requirements for such an election. The bill sets forth provisions for the dissolution of the district.

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. 4730 amends Chapter 674, Acts of the 60th Legislature, Regular Session, 1967, to establish that the board of hospital managers of the Martin County Hospital District consists of six managers appointed by the Martin County Commissioners Court to serve staggered two-year terms, with three managers appointed each year. The bill requires a person to be a district resident and a registered voter to be qualified to serve as a manager, and prohibits a district employee from serving as a manager. The bill removes provisions relating to the initial appointment of the board at the district's creation. The bill provides that these provisions do not affect the entitlement of a member serving on the board immediately before the bill's effective date to continue to carry out the functions of the board for the remainder of the member's term, and that these provisions apply only to a member appointed on or after the bill's effective date. The bill provides that the bill's provisions do not prohibit a person who is a member of the board on the bill's effective date from being reappointed to the board if the person has the requisite qualifications.

H.B. 4730 authorizes the board to pay for a bond executed by the appointed administrator of the district with district money. The bill requires the board to elect a chair and vice chair from among its members and to appoint a secretary who need not be a manager. The bill provides that

each board officer serves a one-year term, and requires the board to fill a vacancy in a board office for the remainder of the unexpired term. The bill removes language requiring the board to choose a chairman, or a chairman pro tem, and removes language authorizing the administrator or any member of the board to be appointed secretary. The bill specifies that records of all proceedings of each board meeting are required to be kept in accordance with state open meetings law. The bill removes provisions requiring the records to be read and signed after each meeting by the chairmen or the presiding member and attested by the secretary, and provisions requiring the board to have a seal.

C.S.H.B. 4730 updates provisions that authorize the district to issue bonds, providing that general obligation bonds may be issued only if the bonds are authorized by a majority of the voters of the district voting in an election held for that purpose, and setting forth requirements for such an election. The bill removes provisions in effect at the district's creation relating to an election held to authorize the district to issue bonds. The bill authorizes the board to issue revenue bonds to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for hospital purposes or acquire sites to be used for hospital purposes and sets forth requirements for such bonds.

C.S.H.B. 4730 authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds, to pledge a combination of property taxes, revenue, and other sources for the security and payment of district bonds and sets forth the authorized uses for the proceeds.

C.S.H.B. 4730 sets forth the procedure to dissolve the district.

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. 4730 removes a provision included in the original authorizing the board to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district, 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.