

BILL ANALYSIS

H.B. 4745
By: Heflin
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The enabling legislation for the Lockney General Hospital District is in need of revision to specify issues relating to dissolution, finances, and recruitment of medical employees.

H.B. 4745 expressly establishes procedures the Lockney General Hospital District must follow to dissolve and specifies which financial practices are permissible. The bill also defines the circumstances in which the district may recruit and fund potential medical employees.

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

H.B. 4745 amends the Special District Local Laws Code, as effective April 1, 2009, to require newspaper notice of an election of the Lockney General Hospital District's board of directors to conform with the notice requirement in the Election Code. The bill amends eligibility provisions relating to the board directors to require a person to be a district resident and a qualified voter to be elected or appointed to the board, and to eliminate the requirement that a person, in order to be eligible, be a property-owning, taxpaying individual. The bill establishes that a person is not eligible to serve as a director if the person is a district employee. The bill clarifies 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 function of the board for the remainder of the member's term, and that a person who is a member of the board on the bill's effective date is not prohibited from being reappointed to the board if the person has the required qualifications as amended by the bill.

H.B. 4745 provides that a construction contract of the district involving the expenditure of more than \$25,000 may be made only after competitive bidding in the manner provided provisions of the Local Government Code relating to competitive bidding on public works contracts. The bill, in making that change, eliminates provisions of existing law setting a threshold of \$2,000 above which such contracts may be made only after advertising.

H.B. 4745 authorizes the board to spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, and to pay tuition or other expenses of a full-time medical student or other student who is currently enrolled and in good standing in a medical school or another health care program at an institution of higher education and who contractually agrees to become a district employee or independent contractor for the district.

H.B. 4745 authorizes the board to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made, and sets forth requirements for securing the loan. The bill authorizes the board, in order to secure a loan, to

pledge revenue that is not pledged to pay the district's bonded indebtedness, a tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds, or a district bond that has been authorized but not sold. The bill requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan is made, and requires a loan for which district revenue is pledged to mature not later than the fifth anniversary of the date the loan is made. The bill authorizes the board to provide for the security and payment of district bonds from a combination of property taxes, revenue from hospital operation, and other specified sources. The bill sets forth the authorized uses for bond proceeds.

H.B. 4745 sets forth provisions on the procedure to dissolve the district, transfer of the administration of assets, imposition of a tax to pay outstanding debt and obligations, and refund of surplus taxes.

H.B. 4745 repeals Section 1052.053, Special District Local Laws Code, requiring a person who wants to have the person's name printed on the ballot as a candidate for director to file with the board secretary a petition requesting that action. The bill repeals Section 1052.056(b), Special District Local Laws Code, designating the board president as the chief executive officer of the district and providing that the president has the same right to vote as any other director.

EFFECTIVE DATE

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