

BILL ANALYSIS

Senate Research Center

S.B. 1986
By: Estes
Intergovernmental Relations
4/6/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Gainesville Hospital District (district) is governed by special district enabling legislation, (Chapter 211, Acts of the 64th Legislature, Regular Session, 1975). This enabling legislation establishes the district's authority to operate a hospital system and the district board's duties and responsibilities. Currently, Texas law does not allow this hospital district to employ physicians directly. Like other rural hospitals, the district has difficulty recruiting and retaining physicians, which limits access to health care by residents of the district. Directly employing physicians will allow the district to provide economic security adequate for a physician to relocate and reside in the community and will help the district to recruit and retain physicians to provide necessary medical services in its community.

As proposed, S.B. 1986 allows the district to employ physicians, expands the ability of the district to borrow funds, and provides procedures for dissolution.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 5, Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, by adding Subsections (c-1) and (c-2), as follows:

(c-1) Authorizes the board of directors of the Gainesville Hospital District (board) to employ physicians or other health care providers as the board considers necessary for the efficient operation of the Gainesville Hospital District (district).

(c-2) Provides that Subsections (c) (relating to the board's authority to appoint to or dismiss from the medical staff as the board determines necessary for the efficient operation of the district) and (c-1) do not authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

SECTION 2. Amends Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, by adding Section 5A, as follows:

Sec. 5A. (a) 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.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district 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.

(c) Requires that a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan is made. Requires that a loan for which districts revenue is pledged mature not later than the fifth anniversary of the date the loan is made.

SECTION 3. Amends Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, by adding Sections 9A and 9B, as follows:

Sec. 9A. Authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds under this Act, to provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes, revenue, and other sources authorized by Section 9 (relating to the power and authority of the board of directors of the hospital district to issue and sell bonds for certain purposes) of this Act.

Sec. 9B. Authorizes the district to use the proceeds of bonds issued under this Act to pay certain costs.

SECTION 4. Amends Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, by adding Section 22, as follows:

Sec. 22. (a) Authorizes the district to be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

(b) Authorizes the board to order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) Requires the board to order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) Requires the order calling the election to state the nature of the election, including the proposition to appear on the ballot, the date of the election, the hours during which the polls will be open, and the location of the polling places.

(e) Provides that Section 41.001 (a) (relating to dates for each general or special election), Election Code, does not apply to an election ordered under this section.

(f) Requires the board to give notice of an election under this section by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district. Requires the first publication of the notice to appear not later than the 35th day before the date of the election.

(g) Requires the ballot for an election under this section to be printed to permit voting for or against the proposition: "The dissolution of the Gainesville Hospital District."

(h) Requires the board to find that the district is dissolved if a majority of the votes in an election under this section favor dissolution. Requires the board to continue to administer the district and prohibits another election on the question of dissolution from being held before the first anniversary of the date of the most recent election on the question of dissolution if a majority of the votes in the election do not favor dissolution.

(i) Requires the board, if a majority of the votes in the election held under this section favor dissolution, to transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Cooke County or another governmental entity in Cooke County only if Cooke County or the other governmental entity consents to such transfer or to administer the property, assets, and debts until all money has been disposed of and all district debts have been paid or settled.

(j) Provides that the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved if the district makes the transfer under Subsection (i)(1). Provides that the district is dissolved when

all money has been disposed of and all district debts have been paid or settled if Subsection (i)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (i) (2).

(k) Requires the board, after the board finds that the district is dissolved, to determine the debt owed by the district and to impose on the property included in the district's tax rolls a tax that is in proportion of the debt to property value.

(l) Requires the board, on payment of all outstanding debts and obligations of the district, to order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money. Authorizes a taxpayer to request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. Requires the board to direct the secretary to transmit the money to the county tax assessor-collector if a taxpayer requests credit.

(m) Requires the board, after the district has paid all its debts and has disposed of all its money and other assets as prescribed by this section, to file a written report with the Commissioners Court of Cooke County (commissioners court) summarizing the board's actions in dissolving the district.

(n) Requires the commissioners court to enter an order dissolving the district and releasing the board from any further duty or obligation not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this subchapter have been fulfilled.

SECTION 5. Effective date: upon passage or September 1, 2009.