

By: Kuempel

H.B. No. 694

Substitute the following for H.B. No. 694:

By: Davis of Harris

C.S.H.B. No. 694

A BILL TO BE ENTITLED

AN ACT

relating to relating to Gonzales Healthcare Systems.

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

SECTION 1. Section 1032.051(b), Special District Local Laws Code, is amended to read as follows:

(b) Directors serve staggered [~~two-year terms unless~~] four-year terms [~~are established under Section 285.081, Health and Safety Code~~].

SECTION 2. Section 1032.052, Special District Local Laws Code, is amended to read as follows:

Sec. 1032.052. NOTICE OF ELECTION. Notice [~~At least 45 days before the date of an election of directors, notice~~] of an [~~the~~] election of directors shall be published in accordance with Section 4.003, Election Code, [~~one time~~] in a newspaper or newspapers that individually or collectively have general circulation in the district.

SECTION 3. Section 1032.110, Special District Local Laws Code, is amended to read as follows:

Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount provided by Section 271.024, Local Government Code, [~~\$10,000~~] may be made only after competitive bidding [~~advertising~~] in the manner provided by Subchapter B, Chapter 271 [~~Chapter 252 and Subchapter C, Chapter 262~~], Local Government Code.

1 SECTION 4. Subchapter D, Chapter 1032, Special District  
2 Local Laws Code, is amended by adding Section 1032.161 to read as  
3 follows:

4 Sec. 1032.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

5 (a) The board may borrow money at a rate not to exceed the maximum  
6 annual percentage rate allowed by law for district obligations at  
7 the time the loan is made.

8 (b) To secure a loan, the board may pledge:

9 (1) district revenue that is not pledged to pay the  
10 district's bonded indebtedness;

11 (2) a district tax to be imposed by the district in the  
12 next 12-month period following the date of the pledge that is not  
13 pledged to pay the principal of or interest on district bonds; or

14 (3) a district bond that has been authorized but not  
15 sold.

16 (c) A loan for which taxes or bonds are pledged must mature  
17 not later than the first anniversary of the date the loan is made. A  
18 loan for which district revenue is pledged must mature not later  
19 than the fifth anniversary of the date the loan is made.

20 SECTION 5. Subchapter E, Chapter 1032, Special District  
21 Local Laws Code, is amended by adding Sections 1032.209 and  
22 1032.210 to read as follows:

23 Sec. 1032.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
24 BONDS. In addition to the authority to issue general obligation  
25 bonds and revenue bonds under this subchapter, the board may  
26 provide for the security and payment of district bonds from a pledge  
27 of a combination of ad valorem taxes as authorized by Section

1 1032.202 and revenue and other sources authorized by Section  
2 1032.206.

3 Sec. 1032.210. USE OF BOND PROCEEDS. The district may use  
4 the proceeds of bonds issued under this subchapter to pay:

5 (1) any expense the board determines is reasonable and  
6 necessary to issue, sell, and deliver the bonds;

7 (2) interest payments on the bonds during a period of  
8 acquisition or construction of a project or facility to be provided  
9 through the bonds, not to exceed five years;

10 (3) costs related to the operation and maintenance of  
11 a project or facility to be provided through the bonds:

12 (A) during an estimated period of acquisition or  
13 construction, not to exceed five years; and

14 (B) for one year after the project or facility is  
15 acquired or constructed;

16 (4) costs related to the financing of the bond funds,  
17 including debt service reserve and contingency funds;

18 (5) costs related to the bond issuance;

19 (6) costs related to the acquisition of land or  
20 interests in land for a project or facility to be provided through  
21 the bonds; and

22 (7) costs of construction of a project or facility to  
23 be provided through the bonds, including the payment of related  
24 professional services and expenses.

25 SECTION 6. Chapter 1032, Special District Local Laws Code,  
26 is amended by adding Subchapter G to read as follows:

27 SUBCHAPTER G. DISSOLUTION

1       Sec. 1032.301. DISSOLUTION; ELECTION. (a) The district  
2 may be dissolved only on approval of a majority of the district  
3 voters voting in an election held for that purpose.

4       (b) The board may order an election on the question of  
5 dissolving the district and disposing of the district's assets and  
6 obligations.

7       (c) The board shall order an election if the board receives  
8 a petition requesting an election that is signed by at least 30  
9 percent of the registered voters in the district.

10       (d) The order calling the election must state:

11               (1) the nature of the election, including the  
12 proposition to appear on the ballot;

13               (2) the date of the election;

14               (3) the hours during which the polls will be open; and

15               (4) the location of the polling places.

16       (e) Section 41.001(a), Election Code, does not apply to an  
17 election ordered under this section.

18       Sec. 1032.302. NOTICE OF ELECTION. (a) The board shall  
19 give notice of an election under this subchapter by publishing once  
20 a week for two consecutive weeks a substantial copy of the election  
21 order in a newspaper with general circulation in the district.

22       (b) The first publication of the notice must appear not  
23 later than the 35th day before the date of the election.

24       Sec. 1032.303. BALLOT. The ballot for an election under  
25 this subchapter must be printed to permit voting for or against the  
26 proposition: "The dissolution of Gonzales Healthcare Systems."

27       Sec. 1032.304. ELECTION RESULTS. (a) If a majority of the

1 votes in an election under this subchapter favor dissolution, the  
2 board shall find that the district is dissolved.

3 (b) If a majority of the votes in the election do not favor  
4 dissolution, the board shall continue to administer the district  
5 and another election on the question of dissolution may not be held  
6 before the first anniversary of the date of the most recent election  
7 on the question of dissolution.

8 Sec. 1032.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a)  
9 If a majority of the votes in the election held under this  
10 subchapter favor dissolution, the board shall:

11 (1) transfer the land, buildings, improvements,  
12 equipment, and other assets that belong to the district to Gonzales  
13 County or another governmental entity in Gonzales County; or

14 (2) administer the property, assets, and debts until  
15 all money has been disposed of and all district debts have been paid  
16 or settled.

17 (b) If the district makes the transfer under Subsection  
18 (a)(1), the county or entity assumes all debts and obligations of  
19 the district at the time of the transfer, and the district is  
20 dissolved.

21 (c) If Subsection (a)(1) does not apply and the board  
22 administers the property, assets, and debts of the district under  
23 Subsection (a)(2), the district is dissolved when all money has  
24 been disposed of and all district debts have been paid or settled.

25 Sec. 1032.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
26 TAXES. (a) After the board finds that the district is dissolved,  
27 the board shall:

1           (1) determine the debt owed by the district; and

2           (2) impose on the property included in the district's  
3 tax rolls a tax that is in proportion of the debt to the property  
4 value.

5           (b) On the payment of all outstanding debts and obligations  
6 of the district, the board shall order the secretary to return to  
7 each district taxpayer the taxpayer's pro rata share of all unused  
8 tax money.

9           (c) A taxpayer may request that the taxpayer's share of  
10 surplus tax money be credited to the taxpayer's county taxes. If a  
11 taxpayer requests the credit, the board shall direct the secretary  
12 to transmit the money to the county tax assessor-collector.

13           Sec. 1032.307. REPORT; DISSOLUTION ORDER. (a) After the  
14 district has paid all its debts and has disposed of all its money  
15 and other assets as prescribed by this subchapter, the board shall  
16 file a written report with the Commissioners Court of Gonzales  
17 County summarizing the board's actions in dissolving the district.

18           (b) Not later than the 10th day after the date the  
19 Commissioners Court of Gonzales County receives the report and  
20 determines that the requirements of this subchapter have been  
21 fulfilled, the commissioners court shall enter an order dissolving  
22 the district and releasing the board from any further duty or  
23 obligation.

24           SECTION 7. Section 1032.053, Special District Local Laws  
25 Code, is repealed.

26           SECTION 8. (a) All elections for directors of Gonzales  
27 Healthcare Systems held before the effective date of this Act, and

1 all governmental and proprietary actions of Gonzales Healthcare  
2 Systems taken before the effective date of this Act, are validated,  
3 ratified, and confirmed in all respects as if the actions had been  
4 taken as authorized by law.

5 (b) This section does not apply to any matter that on the  
6 effective date of this Act:

7 (1) is involved in litigation if the litigation  
8 ultimately results in the matter being held invalid by a final  
9 judgment of a court; or

10 (2) has been held invalid by a final judgment of a  
11 court.

12 SECTION 9. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2009.