

1-1 By: Kuempel (Senate Sponsor - Hegar) H.B. No. 694
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 23, 2009, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to Gonzales Healthcare Systems.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 1032.051(b), Special District Local Laws
1-11 Code, is amended to read as follows:

1-12 (b) Directors serve staggered ~~[two-year terms unless]~~
1-13 four-year terms ~~[are established under Section 285.081, Health and~~
1-14 ~~Safety Code].~~

1-15 SECTION 2. Section 1032.052, Special District Local Laws
1-16 Code, is amended to read as follows:

1-17 Sec. 1032.052. NOTICE OF ELECTION. Notice ~~[At least 45~~
1-18 ~~days before the date of an election of directors, notice]~~ of an
1-19 ~~[the]~~ election of directors shall be published in accordance with
1-20 Section 4.003, Election Code, [one-time] in a newspaper or
1-21 newspapers that individually or collectively have general
1-22 circulation in the district.

1-23 SECTION 3. Section 1032.110, Special District Local Laws
1-24 Code, is amended to read as follows:

1-25 Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction
1-26 contract that involves the expenditure of more than the amount
1-27 provided by Section 271.024, Local Government Code, [\$10,000] may
1-28 be made only after competitive bidding [advertising] in the manner
1-29 provided by Subchapter B, Chapter 271 [Chapter 252 and Subchapter
1-30 C, Chapter 262], Local Government Code.

1-31 SECTION 4. Subchapter D, Chapter 1032, Special District
1-32 Local Laws Code, is amended by adding Section 1032.161 to read as
1-33 follows:

1-34 Sec. 1032.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

1-35 (a) The board may borrow money at a rate not to exceed the maximum
1-36 annual percentage rate allowed by law for district obligations at
1-37 the time the loan is made.

1-38 (b) To secure a loan, the board may pledge:

1-39 (1) district revenue that is not pledged to pay the
1-40 district's bonded indebtedness;

1-41 (2) a district tax to be imposed by the district in the
1-42 next 12-month period following the date of the pledge that is not
1-43 pledged to pay the principal of or interest on district bonds; or

1-44 (3) a district bond that has been authorized but not
1-45 sold.

1-46 (c) A loan for which taxes or bonds are pledged must mature
1-47 not later than the first anniversary of the date the loan is made. A
1-48 loan for which district revenue is pledged must mature not later
1-49 than the fifth anniversary of the date the loan is made.

1-50 SECTION 5. Subchapter E, Chapter 1032, Special District
1-51 Local Laws Code, is amended by adding Sections 1032.209 and
1-52 1032.210 to read as follows:

1-53 Sec. 1032.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF
1-54 BONDS. In addition to the authority to issue general obligation
1-55 bonds and revenue bonds under this subchapter, the board may
1-56 provide for the security and payment of district bonds from a pledge
1-57 of a combination of ad valorem taxes as authorized by Section
1-58 1032.202 and revenue and other sources authorized by Section
1-59 1032.206.

1-60 Sec. 1032.210. USE OF BOND PROCEEDS. The district may use
1-61 the proceeds of bonds issued under this subchapter to pay:

1-62 (1) any expense the board determines is reasonable and
1-63 necessary to issue, sell, and deliver the bonds;

1-64 (2) interest payments on the bonds during a period of

2-1 acquisition or construction of a project or facility to be provided
2-2 through the bonds, not to exceed five years;
2-3 (3) costs related to the operation and maintenance of
2-4 a project or facility to be provided through the bonds:
2-5 (A) during an estimated period of acquisition or
2-6 construction, not to exceed five years; and
2-7 (B) for one year after the project or facility is
2-8 acquired or constructed;
2-9 (4) costs related to the financing of the bond funds,
2-10 including debt service reserve and contingency funds;
2-11 (5) costs related to the bond issuance;
2-12 (6) costs related to the acquisition of land or
2-13 interests in land for a project or facility to be provided through
2-14 the bonds; and
2-15 (7) costs of construction of a project or facility to
2-16 be provided through the bonds, including the payment of related
2-17 professional services and expenses.

2-18 SECTION 6. Chapter 1032, Special District Local Laws Code,
2-19 is amended by adding Subchapter G to read as follows:

2-20 SUBCHAPTER G. DISSOLUTION

2-21 Sec. 1032.301. DISSOLUTION; ELECTION. (a) The district
2-22 may be dissolved only on approval of a majority of the district
2-23 voters voting in an election held for that purpose.

2-24 (b) The board may order an election on the question of
2-25 dissolving the district and disposing of the district's assets and
2-26 obligations.

2-27 (c) The board shall order an election if the board receives
2-28 a petition requesting an election that is signed by at least 30
2-29 percent of the registered voters in the district.

2-30 (d) The order calling the election must state:

2-31 (1) the nature of the election, including the
2-32 proposition to appear on the ballot;

2-33 (2) the date of the election;

2-34 (3) the hours during which the polls will be open; and

2-35 (4) the location of the polling places.

2-36 (e) Section 41.001(a), Election Code, does not apply to an
2-37 election ordered under this section.

2-38 Sec. 1032.302. NOTICE OF ELECTION. (a) The board shall
2-39 give notice of an election under this subchapter by publishing once
2-40 a week for two consecutive weeks a substantial copy of the election
2-41 order in a newspaper with general circulation in the district.

2-42 (b) The first publication of the notice must appear not
2-43 later than the 35th day before the date of the election.

2-44 Sec. 1032.303. BALLOT. The ballot for an election under
2-45 this subchapter must be printed to permit voting for or against the
2-46 proposition: "The dissolution of Gonzales Healthcare Systems."

2-47 Sec. 1032.304. ELECTION RESULTS. (a) If a majority of the
2-48 votes in an election under this subchapter favor dissolution, the
2-49 board shall find that the district is dissolved.

2-50 (b) If a majority of the votes in the election do not favor
2-51 dissolution, the board shall continue to administer the district
2-52 and another election on the question of dissolution may not be held
2-53 before the first anniversary of the date of the most recent election
2-54 on the question of dissolution.

2-55 Sec. 1032.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a)
2-56 If a majority of the votes in the election held under this
2-57 subchapter favor dissolution, the board shall:

2-58 (1) transfer the land, buildings, improvements,
2-59 equipment, and other assets that belong to the district to Gonzales
2-60 County or another governmental entity in Gonzales County; or

2-61 (2) administer the property, assets, and debts until
2-62 all money has been disposed of and all district debts have been paid
2-63 or settled.

2-64 (b) If the district makes the transfer under Subsection
2-65 (a)(1), the county or entity assumes all debts and obligations of
2-66 the district at the time of the transfer, and the district is
2-67 dissolved.

2-68 (c) If Subsection (a)(1) does not apply and the board
2-69 administers the property, assets, and debts of the district under

3-1 Subsection (a)(2), the district is dissolved when all money has
3-2 been disposed of and all district debts have been paid or settled.

3-3 Sec. 1032.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
3-4 TAXES. (a) After the board finds that the district is dissolved,
3-5 the board shall:

3-6 (1) determine the debt owed by the district; and
3-7 (2) impose on the property included in the district's
3-8 tax rolls a tax that is in proportion of the debt to the property
3-9 value.

3-10 (b) On the payment of all outstanding debts and obligations
3-11 of the district, the board shall order the secretary to return to
3-12 each district taxpayer the taxpayer's pro rata share of all unused
3-13 tax money.

3-14 (c) A taxpayer may request that the taxpayer's share of
3-15 surplus tax money be credited to the taxpayer's county taxes. If a
3-16 taxpayer requests the credit, the board shall direct the secretary
3-17 to transmit the money to the county tax assessor-collector.

3-18 Sec. 1032.307. REPORT; DISSOLUTION ORDER. (a) After the
3-19 district has paid all its debts and has disposed of all its money
3-20 and other assets as prescribed by this subchapter, the board shall
3-21 file a written report with the Commissioners Court of Gonzales
3-22 County summarizing the board's actions in dissolving the district.

3-23 (b) Not later than the 10th day after the date the
3-24 Commissioners Court of Gonzales County receives the report and
3-25 determines that the requirements of this subchapter have been
3-26 fulfilled, the commissioners court shall enter an order dissolving
3-27 the district and releasing the board from any further duty or
3-28 obligation.

3-29 SECTION 7. Section 1032.053, Special District Local Laws
3-30 Code, is repealed.

3-31 SECTION 8. (a) All elections for directors of Gonzales
3-32 Healthcare Systems held before the effective date of this Act, and
3-33 all governmental and proprietary actions of Gonzales Healthcare
3-34 Systems taken before the effective date of this Act, are validated,
3-35 ratified, and confirmed in all respects as if the actions had been
3-36 taken as authorized by law.

3-37 (b) This section does not apply to any matter that on the
3-38 effective date of this Act:

3-39 (1) is involved in litigation if the litigation
3-40 ultimately results in the matter being held invalid by a final
3-41 judgment of a court; or

3-42 (2) has been held invalid by a final judgment of a
3-43 court.

3-44 SECTION 9. This Act takes effect immediately if it receives
3-45 a vote of two-thirds of all the members elected to each house, as
3-46 provided by Section 39, Article III, Texas Constitution. If this
3-47 Act does not receive the vote necessary for immediate effect, this
3-48 Act takes effect September 1, 2009.

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