

By: Craddick

H.B. No. 4730

A BILL TO BE ENTITLED

AN ACT

relating to the Martin County Hospital District.

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

SECTION 1. Section 3, Chapter 674, Acts of the 60th Legislature, Regular Session, 1967, is amended to read as follows:

Sec. 3. (a) The Board of Hospital Managers consists of six managers appointed by the Martin County Commissioners Court. Managers serve staggered two-year terms, with three managers appointed each year. To be qualified to serve as a manager, a person must be a Hospital District resident and a registered voter.

An employee of the District may not serve as a manager. [As soon as the Hospital District is created and authorized at the election hereinabove provided, the Commissioners Court shall appoint a Board of Hospital Managers, consisting of six (6) members, three of whom shall serve for a term of two (2) years and three of whom shall serve for a term of one (1) year; thereafter, three members shall be appointed each year to serve for a term of two (2) years.] Failure

of any member of the Board of Hospital Managers to attend three (3) consecutive regular meetings of the Board shall cause a vacancy in his office, unless such absence is excused by formal action of the Board. In the event a vacancy occurs on the Board of Hospital Managers, the remaining members shall appoint a member to fill such vacancy for the remainder of the term of office so vacated. The Board of Hospital Managers shall serve without compensation but may

1 be reimbursed for their actual and necessary traveling and other
2 expenses incurred in the performance of their duties as determined
3 by the Board of Hospital Managers. The duties of the Board of the
4 Hospital Managers shall be to manage, control and administer the
5 hospital or hospital system of the Hospital District. The Board of
6 Hospital Managers shall have the power and authority to sue and be
7 sued and to promulgate rules and regulations for the operation of
8 the hospital or hospital system, including the authority to adopt
9 and amend bylaws governing the proceedings of the Board.

10 (b) The Board shall appoint a general manager, to be known
11 as the Administrator of the Hospital District, and who shall
12 receive such compensation as may be fixed by the Board. The
13 Administrator shall be subject to removal at any time by the Board.
14 The Administrator shall, before entering into the discharge of his
15 duties, execute a bond payable to the District, in the amount of not
16 less than Ten Thousand Dollars (\$10,000.00), conditioned that he
17 shall well and faithfully perform the duties required of him, and
18 containing such other conditions as the Board may require. The
19 Board may pay for the bond with District money. The Administrator
20 shall perform all duties which may be required of him by the Board,
21 and shall supervise all of the work and activities of the District,
22 and have general direction of the affairs of the District, within
23 such limitations as may be prescribed by the Board. He shall be a
24 person qualified by training and experience for the position of
25 Administrator.

26 (c) The Board of Hospital Managers shall give the authority
27 to the Administrator to employ such employees of every kind and

1 character as may be deemed advisable for the efficient operation of
2 the hospital or hospital system.

3 (d) The Board of Hospital Managers shall be authorized to
4 contract with any county for care and treatment of the county's
5 sick, diseased and injured persons, and with the state and agencies
6 of the Federal Government for the care and treatment of such persons
7 for whom the state and such agencies of the Federal Government are
8 responsible. Further, under the same conditions, the Board of
9 Hospital Managers may enter into such contracts with the state and
10 Federal Government as may be necessary to establish or continue a
11 retirement program for the benefit of its employees.

12 (e) The Board of Hospital Managers may in addition to
13 retirement programs authorized by this Act establish such other
14 retirement program for the benefit of its employees as it deems
15 necessary and advisable.

16 (f) A majority of the Board of Hospital Managers present
17 shall constitute a quorum for the transaction of any business. The
18 Board shall elect a Chair and Vice Chair from among its members.
19 The Board shall appoint a Secretary, who need not be a manager.
20 Each officer of the Board serves a one-year term. The Board shall
21 fill a vacancy in a Board office for the remainder of the unexpired
22 term. [~~From among its members, the Board shall choose a Chairman,~~
23 ~~who shall preside, or in his absence a Chairman Pro Tem shall~~
24 ~~preside, and the Administrator or any member of the Board may be~~
25 ~~appointed Secretary.] The Board shall require the Secretary to
26 keep suitable records of all proceedings of each meeting of the
27 Board in accordance with Subchapter B, Chapter 551, Government~~

1 Code. [~~Such records shall be read and signed after each meeting by~~
2 ~~the Chairman or the member presiding, and attested by the~~
3 ~~Secretary. The Board shall have a seal, on which shall be engraved~~
4 ~~the name of the Hospital District, and said seal shall be kept by~~
5 ~~the Secretary and used in authentication of all acts of the Board.~~]

6 SECTION 2. Section 14, Chapter 674, Acts of the 60th
7 Legislature, Regular Session, 1967, is amended to read as follows:

8 Sec. 14. (a) The Board of Hospital Managers shall have the
9 power and authority to issue and sell general obligation [~~as the~~
10 ~~obligations of such Hospital District,~~] bonds for the purchase,
11 construction, acquisition, repair or renovation of buildings and
12 improvements and equipping same, for hospital purposes and for any
13 or all of such purposes; provided that a sufficient tax shall be
14 levied to create an interest and sinking fund to pay the interest
15 and principal as same matures and that said tax, together with any
16 other taxes levied for said District, shall not exceed Seventy-five
17 Cents (75¢) on the One Hundred Dollars (\$100.00) valuation of
18 taxable property in any one year. Such bonds shall be executed in
19 the name of the Hospital District and on its behalf by the Chairman
20 of the Board of Hospital Managers, and countersigned by the
21 Secretary of the Board, and shall be subject to the same
22 requirements in the manner of approval thereof by the Attorney
23 General of the State of Texas and registration thereof by the
24 Comptroller of Public Accounts of the State of Texas as are by law
25 provided for such approval and registration of bonds of the county;
26 and the approval of such bonds by the Attorney General shall have
27 the same force and effect as is by law given to his approval of bonds

1 of the county.

2 (b) The Hospital District may issue general obligation
3 bonds only if the bonds are authorized by a majority of the voters
4 of the District voting in an election held for that purpose. The
5 Board of Hospital Managers, in ordering the election, shall provide
6 for clerks as in county elections and shall specify the date of the
7 election, the location of the polling places, the presiding and
8 alternate election judges for each polling place, the amount of the
9 bonds to be authorized, and the maximum maturity of the bonds. The
10 Board shall give notice of the Board election in the manner provided
11 by Section 1251.003, Government Code. Chapter 41, Election Code,
12 does not apply to an election held under this section. The Board
13 shall declare the results of the election [~~No bonds shall be issued~~
14 ~~by such Hospital District (except refunding bonds) until authorized~~
15 ~~by a majority vote of the legally qualified property taxpaying~~
16 ~~voters residing in such Hospital District voting at an election~~
17 ~~called and held in accordance with the provisions of Chapter 1,~~
18 ~~Title 22, of the Revised Civil Statutes of the State of Texas~~
19 ~~(1925), as amended, relating to county bonds. Such election shall~~
20 ~~be called by the Board of Hospital Managers, and such Board shall~~
21 ~~designate the places for holding said election and shall name the~~
22 ~~persons who shall conduct said election, in the manner provided by~~
23 ~~general law. In the event the initial bonds are voted at an~~
24 ~~election called by the Commissioners Court at the time of the~~
25 ~~election for the creation of the District, such initial election~~
26 ~~shall be governed by the provisions of Section 2 hereof].~~

27 (c) In the manner hereinabove provided, the bonds of such

1 Hospital District may, without the necessity of any election
2 therefor, be issued for the purpose of refunding or paying off any
3 bonded indebtedness theretofore assumed by the Hospital District
4 and any bonds theretofore issued by the Hospital District; such
5 refunding bonds may be sold and the proceeds thereof applied to the
6 payment of any such outstanding bonds or may be exchanged in whole
7 or in part for not less than a like amount of said outstanding bonds
8 and interest matured thereon, but unpaid; provided the average
9 interest cost per annum on the refunding bonds, computed in
10 accordance with the recognized standard bond interest cost tables,
11 shall not exceed the average interest cost per annum so computed
12 upon the bonds to be discharged out of the proceeds of the refunding
13 bonds, unless the total interest cost on the refunding bonds,
14 computed to their respective maturity dates, is less than the total
15 interest cost so computed on the bonds to be discharged out of such
16 proceeds. In the foregoing computations, any premium or premiums
17 required to be paid upon the bonds to be refunded as a condition to
18 the payment in advance of their stated maturity dates shall be taken
19 into account as an addition to the net interest cost to the Hospital
20 District of the refunding bonds.

21 (d) The Board of Hospital Managers may issue revenue bonds
22 to purchase, construct, acquire, repair, renovate, or equip
23 buildings or improvements for hospital purposes, or acquire sites
24 to be used for hospital purposes. The bonds must be payable from
25 and secured by a pledge of all or part of the revenue derived from
26 the operation of the Hospital District's hospitals. The bonds may
27 be additionally secured by a mortgage or deed of trust lien on all

1 or part of District property. The bonds must be issued in the
2 manner and in accordance with the procedures and requirements
3 prescribed by Sections 264.042, 264.043, 264.046, 264.047,
4 264.048, and 264.049, Health and Safety Code, for issuance of
5 revenue bonds by county hospital authorities.

6 SECTION 3. Chapter 674, Acts of the 60th Legislature,
7 Regular Session, 1967, is amended by adding Sections 14A and 14B to
8 read as follows:

9 Sec. 14A. In addition to the authority to issue general
10 obligation bonds and revenue bonds under this Act, the Board of
11 Hospital Managers may provide for the security and payment of
12 Hospital District bonds from a pledge of a combination of ad valorem
13 taxes as authorized by Section 14(a) of this Act and revenue and
14 other sources authorized by Section 14(d) of this Act.

15 Sec. 14B. The Hospital District may use the proceeds of
16 bonds issued under this Act to pay:

17 (1) any expense the Board of Hospital Managers
18 determines is reasonable and necessary to issue, sell, and deliver
19 the bonds;

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

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

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

27 (B) for one year after the project or facility is

1 acquired or constructed;

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

4 (5) costs related to the bond issuance;

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

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

11 SECTION 4. Chapter 674, Acts of the 60th Legislature,
12 Regular Session, 1967, is amended by adding Section 17A to read as
13 follows:

14 Sec. 17A. (a) The Hospital District may be dissolved only
15 on approval of a majority of the voters of the District voting in an
16 election held for that purpose.

17 (b) The Board of Hospital Managers may order an election on
18 the question of dissolving the Hospital District and disposing of
19 the District's assets and obligations.

20 (c) The Board of Hospital Managers shall order an election
21 if the Board receives a petition requesting an election that is
22 signed by at least 15 percent of the registered voters in the
23 Hospital District.

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

25 (1) the nature of the election, including the
26 proposition to appear on the ballot;

27 (2) the date of the election;

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

2 (4) the location of the polling places.

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

5 (f) The Board of Hospital Managers shall give notice of an
6 election under this section by publishing once a week for two
7 consecutive weeks a substantial copy of the election order in a
8 newspaper with general circulation in the Hospital District. The
9 first publication of the notice must appear not later than the 35th
10 day before the date of the election.

11 (g) The ballot for an election under this section must be
12 printed to permit voting for or against the proposition: "The
13 dissolution of the Martin County Hospital District."

14 (h) If a majority of the votes in an election under this
15 section favor dissolution, the Board of Hospital Managers shall
16 find that the Hospital District is dissolved.

17 (i) If a majority of the votes in the election do not favor
18 dissolution, the Board of Hospital Managers shall continue to
19 administer the Hospital District and another election on the
20 question of dissolution may not be held before the first
21 anniversary of the date of the most recent election on the question
22 of dissolution.

23 (j) If a majority of the votes in the election held under
24 this section favor dissolution, the Board of Hospital Managers
25 shall:

26 (1) transfer the land, buildings, improvements,
27 equipment, and other assets that belong to the Hospital District to

1 Martin County or another governmental entity in Martin County; or
2 (2) administer the property, assets, and debts until
3 all money has been disposed of and all Hospital District debts have
4 been paid or settled.

5 (k) If the Hospital District makes the transfer under
6 Subsection (j)(1), the county or entity assumes all debts and
7 obligations of the District at the time of the transfer, and the
8 District is dissolved.

9 (l) If Subsection (j)(1) does not apply and the Board
10 administers the property, assets, and debts of the Hospital
11 District under Subsection (j)(2), the District is dissolved when
12 all money has been disposed of and all District debts have been paid
13 or settled.

14 (m) After the Board of Hospital Managers finds that the
15 Hospital District is dissolved, the Board shall:

- 16 (1) determine the debt owed by the District; and
17 (2) impose on the property included in the District's
18 tax rolls a tax that is in proportion of the debt to the property
19 value.

20 (n) On the payment of all outstanding debts and obligations
21 of the Hospital District, the Board of Hospital Managers shall
22 order the Secretary to return to each District taxpayer the
23 taxpayer's pro rata share of all unused tax money.

24 (o) A taxpayer may request that the taxpayer's share of
25 surplus tax money be credited to the taxpayer's county taxes. If a
26 taxpayer requests the credit, the Board of Hospital Managers shall
27 direct the Secretary to transmit the money to the county tax

1 assessor-collector.

2 (p) After the Hospital District has paid all its debts and
3 has disposed of all its money and other assets as prescribed by this
4 section, the Board of Hospital Managers shall file a written report
5 with the Commissioners Court of Martin County summarizing the
6 Board's actions in dissolving the District.

7 (q) Not later than the 10th day after the date the
8 Commissioners Court of Martin County receives the report and
9 determines that the requirements of this section have been
10 fulfilled, the commissioners court shall enter an order dissolving
11 the Hospital District and releasing the Board of Hospital Managers
12 from any further duty or obligation.

13 SECTION 5. The changes in law made by this Act to the
14 qualifications of and the prohibitions applying to members of the
15 Board of Hospital Managers of the Martin County Hospital District
16 do not affect the entitlement of a member serving on the Board
17 immediately before the effective date of this Act to continue to
18 carry out the functions of the Board for the remainder of the
19 member's term. The changes in law apply only to a member appointed
20 on or after the effective date of this Act. This Act does not
21 prohibit a person who is a member of the Board on the effective date
22 of this Act from being reappointed to the Board if the person has
23 the qualifications required for membership under Section 3, Chapter
24 674, Acts of the 60th Legislature, Regular Session, 1967, as
25 amended by this Act.

26 SECTION 6. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2009.