

By: Heflin

H.B. No. 4745

A BILL TO BE ENTITLED

AN ACT

relating to the Lockney General Hospital District.

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

SECTION 1. Section 1052.052, Special District Local Laws Code, as effective April 1, 2009, is amended to read as follows:

Sec. 1052.052. NOTICE OF ELECTION. Notice [~~At least five days before the date of an election of directors, notice~~] of an [~~the~~] election of directors shall be published [~~one time~~] in a newspaper of general circulation in the area of the district in accordance with Section 4.003, Election Code.

SECTION 2. Section 1052.054, Special District Local Laws Code, as effective April 1, 2009, is amended to read as follows:

Sec. 1052.054. QUALIFICATIONS FOR OFFICE. (a) A person may not be elected or appointed as a director unless the person is:

(1) a district resident; and

(2) a qualified voter.

(b) A person is not eligible to serve as a director if the person is a district employee. [~~To be eligible to hold office as a director, a person must be a resident property-owning taxpaying voter of the district.~~]

SECTION 3. Section 1052.110, Special District Local Laws Code, as effective April 1, 2009, is amended to read as follows:

Sec. 1052.110. CONSTRUCTION CONTRACTS. A construction contract that involves the expenditure of more than the amount

1 provided by Section 271.024, Local Government Code, [\$2,000] may be  
2 made only after competitive bidding [~~advertising~~] in the manner  
3 provided by Subchapter B, Chapter 271 [~~Chapter 252 and Subchapter~~  
4 ~~C, Chapter 262~~], Local Government Code.

5 SECTION 4. Subchapter B, Chapter 1052, Special District  
6 Local Laws Code, is amended by adding Section 1052.061 to read as  
7 follows:

8 Sec. 1052.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

9 (a) The board may spend district money, enter into agreements, and  
10 take other necessary action to recruit physicians and other persons  
11 to serve as medical staff members or district employees, including:

12 (1) advertising and marketing;

13 (2) paying travel, recruitment, and relocation  
14 expenses; and

15 (3) providing a loan or scholarship to a physician or a  
16 person who:

17 (A) is currently enrolled in health care  
18 education courses at an institution of higher education; and

19 (B) contractually agrees to become a district  
20 employee or medical staff member.

21 (b) The board may spend district money, enter into  
22 agreements, and take other necessary action to pay tuition or other  
23 expenses of a full-time medical student or other student who:

24 (1) is currently enrolled and in good standing in a  
25 medical school or another health care program at an institution of  
26 higher education; and

27 (2) contractually agrees to become a district employee

1 or independent contractor for the district.

2 SECTION 5. Subchapter D, Chapter 1052, Special District  
3 Local Laws Code, as effective April 1, 2009, is amended by adding  
4 Section 1052.160 to read as follows:

5 Sec. 1052.160. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

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

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

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

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

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

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

21 SECTION 6. Subchapter E, Chapter 1052, Special District  
22 Local Laws Code, as effective April 1, 2009, is amended by adding  
23 Sections 1052.209 and 1052.210 to read as follows:

24 Sec. 1052.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
25 BONDS. In addition to the authority to issue general obligation  
26 bonds and revenue bonds under this subchapter, the board may  
27 provide for the security and payment of district bonds from a pledge

1 of a combination of ad valorem taxes as authorized by Section  
2 1052.202 and revenue and other sources authorized by Section  
3 1052.204.

4 Sec. 1052.210. USE OF BOND PROCEEDS. The district may use  
5 the proceeds of bonds issued under this subchapter to pay:

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

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

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

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

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

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

19 (5) costs related to the bond issuance;

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

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

26 SECTION 7. Chapter 1052, Special District Local Laws Code,  
27 as effective April 1, 2009, is amended by adding Subchapter G to

1 read as follows:

2 SUBCHAPTER G. DISSOLUTION

3 Sec. 1052.301. DISSOLUTION; ELECTION. (a) The district  
4 may be dissolved only on approval of a majority of the district  
5 voters voting in an election held for that purpose.

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

9 (c) The board shall order an election if the board receives  
10 a petition requesting an election that is signed by at least 15  
11 percent of the registered voters in the district.

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

13 (1) the nature of the election, including the  
14 proposition to appear on the ballot;

15 (2) the date of the election;

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

17 (4) the location of the polling places.

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

20 Sec. 1052.302. NOTICE OF ELECTION. (a) The board shall  
21 give notice of an election under this subchapter by publishing once  
22 a week for two consecutive weeks a substantial copy of the election  
23 order in a newspaper with general circulation in the district.

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

26 Sec. 1052.303. BALLOT. The ballot for an election under  
27 this subchapter must be printed to permit voting for or against the

1 proposition: "The dissolution of the Lockney General Hospital  
2 District."

3 Sec. 1052.304. ELECTION RESULTS. (a) If a majority of the  
4 votes in an election under this subchapter favor dissolution, the  
5 board shall find that the district is dissolved.

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

11 Sec. 1052.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a)  
12 If a majority of the votes in the election held under this  
13 subchapter favor dissolution, the board shall:

14 (1) transfer the land, buildings, improvements,  
15 equipment, and other assets that belong to the district to Floyd  
16 County or another governmental entity in Floyd County; or

17 (2) administer the property, assets, and debts until  
18 all money has been disposed of and all district debts have been paid  
19 or settled.

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

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

1       Sec. 1052.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
2 TAXES. (a) After the board finds that the district is dissolved,  
3 the board shall:

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

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

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

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

16       Sec. 1052.307. REPORT; DISSOLUTION ORDER. (a) After the  
17 district has paid all its debts and has disposed of all its money  
18 and other assets as prescribed by this subchapter, the board shall  
19 file a written report with the Commissioners Court of Floyd County  
20 summarizing the board's actions in dissolving the district.

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

27       SECTION 8. Sections 1052.053 and 1052.056(b), Special

1 District Local Laws Code, as effective April 1, 2009, are repealed.

2           SECTION 9. The changes in law made by this Act to the  
3 qualifications of and the prohibitions applying to members of the  
4 board of directors of the Lockney General Hospital District do not  
5 affect the entitlement of a member serving on the board immediately  
6 before the effective date of this Act to continue to carry out the  
7 functions of the board for the remainder of the member's term. The  
8 changes in law apply only to a member appointed on or after the  
9 effective date of this Act. This Act does not prohibit a person who  
10 is a member of the board on the effective date of this Act from being  
11 reappointed to the board if the person has the qualifications  
12 required for membership under Section 1052.054, Special District  
13 Local Laws Code, as amended by this Act.

14           SECTION 10. This Act takes effect immediately if it  
15 receives a vote of two-thirds of all the members elected to each  
16 house, as provided by Section 39, Article III, Texas Constitution.  
17 If this Act does not receive the vote necessary for immediate  
18 effect, this Act takes effect September 1, 2009.