

1-1 By: Heflin (Senate Sponsor - Duncan) H.B. No. 4745
1-2 (In the Senate - Received from the House May 13, 2009;
1-3 May 14, 2009, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 22, 2009, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 22, 2009, sent to printer.)

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

1-8 relating to the Lockney General Hospital District.

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

1-10 SECTION 1. Section 1052.052, Special District Local Laws
1-11 Code, as effective April 1, 2009, is amended to read as follows:

1-12 Sec. 1052.052. NOTICE OF ELECTION. Notice [~~At least five~~
1-13 ~~days before the date of an election of directors, notice~~] of an
1-14 [~~the~~] election of directors shall be published [~~one time~~] in a
1-15 newspaper of general circulation in the area of the district in
1-16 accordance with Section 4.003, Election Code.

1-17 SECTION 2. Section 1052.054, Special District Local Laws
1-18 Code, as effective April 1, 2009, is amended to read as follows:

1-19 Sec. 1052.054. QUALIFICATIONS FOR OFFICE. (a) A person may
1-20 not be elected or appointed as a director unless the person is:

1-21 (1) a district resident; and

1-22 (2) a qualified voter.

1-23 (b) A person is not eligible to serve as a director if the
1-24 person is a district employee. [~~To be eligible to hold office as a~~
1-25 ~~director, a person must be a resident property-owning taxpaying~~
1-26 ~~voter of the district.~~]

1-27 SECTION 3. Section 1052.110, Special District Local Laws
1-28 Code, as effective April 1, 2009, is amended to read as follows:

1-29 Sec. 1052.110. CONSTRUCTION CONTRACTS. A construction
1-30 contract that involves the expenditure of more than the amount
1-31 provided by Section 271.024, Local Government Code, [\$2,000] may be
1-32 made only after competitive bidding [~~advertising~~] in the manner
1-33 provided by Subchapter B, Chapter 271 [~~Chapter 252 and Subchapter~~
1-34 ~~C, Chapter 262~~], Local Government Code.

1-35 SECTION 4. Subchapter B, Chapter 1052, Special District
1-36 Local Laws Code, is amended by adding Section 1052.061 to read as
1-37 follows:

1-38 Sec. 1052.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

1-39 (a) The board may spend district money, enter into agreements, and
1-40 take other necessary action to recruit physicians and other persons
1-41 to serve as medical staff members or district employees, including:

1-42 (1) advertising and marketing;

1-43 (2) paying travel, recruitment, and relocation
1-44 expenses; and

1-45 (3) providing a loan or scholarship to a physician or a
1-46 person who:

1-47 (A) is currently enrolled in health care
1-48 education courses at an institution of higher education; and

1-49 (B) contractually agrees to become a district
1-50 employee or medical staff member.

1-51 (b) The board may spend district money, enter into
1-52 agreements, and take other necessary action to pay tuition or other
1-53 expenses of a full-time medical student or other student who:

1-54 (1) is currently enrolled and in good standing in a
1-55 medical school or another health care program at an institution of
1-56 higher education; and

1-57 (2) contractually agrees to become a district employee
1-58 or independent contractor for the district.

1-59 SECTION 5. Subchapter D, Chapter 1052, Special District
1-60 Local Laws Code, as effective April 1, 2009, is amended by adding
1-61 Section 1052.160 to read as follows:

1-62 Sec. 1052.160. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

1-63 (a) The board may borrow money at a rate not to exceed the maximum
1-64 annual percentage rate allowed by law for district obligations at

2-1 the time the loan is made.

2-2 (b) To secure a loan, the board may pledge:

2-3 (1) district revenue that is not pledged to pay the
2-4 district's bonded indebtedness;

2-5 (2) a district tax to be imposed by the district in the
2-6 next 12-month period following the date of the pledge that is not
2-7 pledged to pay the principal of or interest on district bonds; or

2-8 (3) a district bond that has been authorized but not
2-9 sold.

2-10 (c) A loan for which taxes or bonds are pledged must mature
2-11 not later than the first anniversary of the date the loan is made. A
2-12 loan for which district revenue is pledged must mature not later
2-13 than the fifth anniversary of the date the loan is made.

2-14 SECTION 6. Subchapter E, Chapter 1052, Special District
2-15 Local Laws Code, as effective April 1, 2009, is amended by adding
2-16 Sections 1052.209 and 1052.210 to read as follows:

2-17 Sec. 1052.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF
2-18 BONDS. In addition to the authority to issue general obligation
2-19 bonds and revenue bonds under this subchapter, the board may
2-20 provide for the security and payment of district bonds from a pledge
2-21 of a combination of ad valorem taxes as authorized by Section
2-22 1052.202 and revenue and other sources authorized by Section
2-23 1052.204.

2-24 Sec. 1052.210. USE OF BOND PROCEEDS. The district may use
2-25 the proceeds of bonds issued under this subchapter to pay:

2-26 (1) any expense the board determines is reasonable and
2-27 necessary to issue, sell, and deliver the bonds;

2-28 (2) interest payments on the bonds during a period of
2-29 acquisition or construction of a project or facility to be provided
2-30 through the bonds, not to exceed five years;

2-31 (3) costs related to the operation and maintenance of
2-32 a project or facility to be provided through the bonds:

2-33 (A) during an estimated period of acquisition or
2-34 construction, not to exceed five years; and

2-35 (B) for one year after the project or facility is
2-36 acquired or constructed;

2-37 (4) costs related to the financing of the bond funds,
2-38 including debt service reserve and contingency funds;

2-39 (5) costs related to the bond issuance;

2-40 (6) costs related to the acquisition of land or
2-41 interests in land for a project or facility to be provided through
2-42 the bonds; and

2-43 (7) costs of construction of a project or facility to
2-44 be provided through the bonds, including the payment of related
2-45 professional services and expenses.

2-46 SECTION 7. Chapter 1052, Special District Local Laws Code,
2-47 as effective April 1, 2009, is amended by adding Subchapter G to
2-48 read as follows:

2-49 SUBCHAPTER G. DISSOLUTION

2-50 Sec. 1052.301. DISSOLUTION; ELECTION. (a) The district
2-51 may be dissolved only on approval of a majority of the district
2-52 voters voting in an election held for that purpose.

2-53 (b) The board may order an election on the question of
2-54 dissolving the district and disposing of the district's assets and
2-55 obligations.

2-56 (c) The board shall order an election if the board receives
2-57 a petition requesting an election that is signed by at least 15
2-58 percent of the registered voters in the district.

2-59 (d) The order calling the election must state:

2-60 (1) the nature of the election, including the
2-61 proposition to appear on the ballot;

2-62 (2) the date of the election;

2-63 (3) the hours during which the polls will be open; and

2-64 (4) the location of the polling places.

2-65 (e) Section 41.001(a), Election Code, does not apply to an
2-66 election ordered under this section.

2-67 Sec. 1052.302. NOTICE OF ELECTION. (a) The board shall
2-68 give notice of an election under this subchapter by publishing once
2-69 a week for two consecutive weeks a substantial copy of the election

3-1 order in a newspaper with general circulation in the district.
3-2 (b) The first publication of the notice must appear not
3-3 later than the 35th day before the date of the election.
3-4 Sec. 1052.303. BALLOT. The ballot for an election under
3-5 this subchapter must be printed to permit voting for or against the
3-6 proposition: "The dissolution of the Lockney General Hospital
3-7 District."
3-8 Sec. 1052.304. ELECTION RESULTS. (a) If a majority of the
3-9 votes in an election under this subchapter favor dissolution, the
3-10 board shall find that the district is dissolved.
3-11 (b) If a majority of the votes in the election do not favor
3-12 dissolution, the board shall continue to administer the district
3-13 and another election on the question of dissolution may not be held
3-14 before the first anniversary of the date of the most recent election
3-15 on the question of dissolution.
3-16 Sec. 1052.305. TRANSFER OF ADMINISTRATION OF ASSETS. (a)
3-17 If a majority of the votes in the election held under this
3-18 subchapter favor dissolution, the board shall:
3-19 (1) transfer the land, buildings, improvements,
3-20 equipment, and other assets that belong to the district to Floyd
3-21 County or another governmental entity in Floyd County; or
3-22 (2) administer the property, assets, and debts until
3-23 all money has been disposed of and all district debts have been paid
3-24 or settled.
3-25 (b) If the district makes the transfer under Subsection
3-26 (a)(1), the county or entity assumes all debts and obligations of
3-27 the district at the time of the transfer, and the district is
3-28 dissolved.
3-29 (c) If Subsection (a)(1) does not apply and the board
3-30 administers the property, assets, and debts of the district under
3-31 Subsection (a)(2), the district is dissolved when all money has
3-32 been disposed of and all district debts have been paid or settled.
3-33 Sec. 1052.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
3-34 TAXES. (a) After the board finds that the district is dissolved,
3-35 the board shall:
3-36 (1) determine the debt owed by the district; and
3-37 (2) impose on the property included in the district's
3-38 tax rolls a tax that is in proportion of the debt to the property
3-39 value.
3-40 (b) On the payment of all outstanding debts and obligations
3-41 of the district, the board shall order the secretary to return to
3-42 each district taxpayer the taxpayer's pro rata share of all unused
3-43 tax money.
3-44 (c) A taxpayer may request that the taxpayer's share of
3-45 surplus tax money be credited to the taxpayer's county taxes. If a
3-46 taxpayer requests the credit, the board shall direct the secretary
3-47 to transmit the money to the county tax assessor-collector.
3-48 Sec. 1052.307. REPORT; DISSOLUTION ORDER. (a) After the
3-49 district has paid all its debts and has disposed of all its money
3-50 and other assets as prescribed by this subchapter, the board shall
3-51 file a written report with the Commissioners Court of Floyd County
3-52 summarizing the board's actions in dissolving the district.
3-53 (b) Not later than the 10th day after the date the
3-54 Commissioners Court of Floyd County receives the report and
3-55 determines that the requirements of this subchapter have been
3-56 fulfilled, the commissioners court shall enter an order dissolving
3-57 the district and releasing the board from any further duty or
3-58 obligation.
3-59 SECTION 8. Sections 1052.053 and 1052.056(b), Special
3-60 District Local Laws Code, as effective April 1, 2009, are repealed.
3-61 SECTION 9. The changes in law made by this Act to the
3-62 qualifications of and the prohibitions applying to members of the
3-63 board of directors of the Lockney General Hospital District do not
3-64 affect the entitlement of a member serving on the board immediately
3-65 before the effective date of this Act to continue to carry out the
3-66 functions of the board for the remainder of the member's term. The
3-67 changes in law apply only to a member appointed on or after the
3-68 effective date of this Act. This Act does not prohibit a person who
3-69 is a member of the board on the effective date of this Act from being

4-1 reappointed to the board if the person has the qualifications
4-2 required for membership under Section 1052.054, Special District
4-3 Local Laws Code, as amended by this Act.

4-4 SECTION 10. This Act takes effect immediately if it
4-5 receives a vote of two-thirds of all the members elected to each
4-6 house, as provided by Section 39, Article III, Texas Constitution.
4-7 If this Act does not receive the vote necessary for immediate
4-8 effect, this Act takes effect September 1, 2009.

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