

By: Hegar

S.B. No. 606

A BILL TO BE ENTITLED

AN ACT

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, as effective April 1, 2009, 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, as effective April 1, 2009, 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 1032.061, Special District Local Laws Code, as effective April 1, 2009, is amended by adding Subsections (d) and (e) to read as follows:

(d) The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(e) This section may not be construed as authorizing the board to supervise or control the practice of medicine, as

1 prohibited by Subtitle B, Title 3, Occupations Code.

2 SECTION 4. Section 1032.110, Special District Local Laws  
3 Code, as effective April 1, 2009, is amended to read as follows:

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

10 SECTION 5. Subchapter C, Chapter 1032, Special District  
11 Local Laws Code, is amended by adding Section 1032.116 to read as  
12 follows:

13 Sec. 1032.116. BENEFITS FOR INJURED EMPLOYEES. (a) The  
14 district may establish a comprehensive program to provide income  
15 and medical benefits to a district employee who sustains an injury  
16 that arises out of and in the course and scope of employment.

17 (b) If the district adopts a comprehensive program under  
18 Subsection (a), the district is exempt from Section 504.011, Labor  
19 Code, to the extent that the section requires the district to  
20 provide workers' compensation to its employees.

21 SECTION 6. Subchapter D, Chapter 1032, Special District  
22 Local Laws Code, as effective April 1, 2009, is amended by adding  
23 Section 1032.161 to read as follows:

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

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

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

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

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

7            (3) a district bond that has been authorized but not  
8 sold.

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

13        SECTION 7. Subchapter E, Chapter 1032, Special District  
14 Local Laws Code, as effective April 1, 2009, is amended by adding  
15 Sections 1032.209 and 1032.210 to read as follows:

16        Sec. 1032.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
17 BONDS. In addition to the authority to issue general obligation  
18 bonds and revenue bonds under this subchapter, the board may  
19 provide for the security and payment of district bonds from a pledge  
20 of a combination of ad valorem taxes as authorized by Section  
21 1032.202 and revenue and other sources authorized by Section  
22 1032.206.

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

25            (1) any expense the board determines is reasonable and  
26 necessary to insure, sell, and deliver the bonds;

27            (2) interest payments on the bonds during a period of

1 acquisition or construction of a project or facility to be provided  
2 through the bonds, not to exceed five years;

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

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

7 (B) for one year after the project or facility is  
8 acquired or constructed;

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

11 (5) costs related to the bond issuance;

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

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

18 SECTION 8. Chapter 1032, Special District Local Laws Code,  
19 as effective April 1, 2009, is amended by adding Subchapter G to  
20 read as follows:

21 SUBCHAPTER G. DISSOLUTION

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

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

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

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

5           (1) the nature of the election, including the  
6 proposition to appear on the ballot;

7           (2) the date of the election;

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

9           (4) the location of the polling places.

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

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

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

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

21       Sec. 1032.304. ELECTION RESULTS. (a) If a majority of the  
22 votes in an election under this subchapter favor dissolution, the  
23 board shall find that the district is dissolved.

24       (b) If a majority of the votes in the election do not favor  
25 dissolution, the board shall continue to administer the district  
26 and another election on the question of dissolution may not be held  
27 before the first anniversary of the date of the most recent election

1 on the question of dissolution.

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

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

8 (2) administer the property, assets, and debts until  
9 all money has been disposed of and all district debts have been paid  
10 or settled.

11 (b) If the district makes the transfer under Subsection  
12 (a)(1), the county or entity assumes all debts and obligations of  
13 the district at the time of the transfer, and the district is  
14 dissolved.

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

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

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

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

26 (b) On the payment of all outstanding debts and obligations  
27 of the district, the board shall order the secretary to return to

1 each district taxpayer the taxpayer's pro rata share of all unused  
2 tax money.

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

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

12 (b) Not later than the 10th day after the date the  
13 Commissioners Court of Gonzales County receives the report and  
14 determines that the requirements of this subchapter have been  
15 fulfilled, the commissioners court shall enter an order dissolving  
16 the district and releasing the board from any further duty or  
17 obligation.

18 SECTION 9. Section 1032.053, Special District Local Laws  
19 Code, as effective April 1, 2009, is repealed.

20 SECTION 10. (a) All elections for directors of Gonzales  
21 Healthcare Systems held before the effective date of this Act, and  
22 all governmental and proprietary actions of Gonzales Healthcare  
23 Systems taken before the effective date of this Act, are validated,  
24 ratified, and confirmed in all respects as if the actions had been  
25 taken as authorized by law.

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

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

4           (2) has been held invalid by a final judgment of a  
5 court.

6           SECTION 11. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2009.