

1-1 By: Hegar S.B. No. 606  
1-2 (In the Senate - Filed January 30, 2009; February 23, 2009,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; May 23, 2009, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 3, Nays 2;  
1-6 May 23, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 606 By: Patrick

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to Gonzales Healthcare Systems; authorizing a tax.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsection (b), Section 1032.051, Special  
1-13 District Local Laws Code, as effective April 1, 2009, is amended to  
1-14 read as follows:

1-15 (b) Directors serve staggered [~~two-year terms unless~~  
1-16 four-year terms [~~are established under Section 285.081, Health and~~  
1-17 ~~Safety Code~~].

1-18 SECTION 2. Section 1032.052, Special District Local Laws  
1-19 Code, as effective April 1, 2009, is amended to read as follows:

1-20 Sec. 1032.052. NOTICE OF ELECTION. Notice [~~At least 45 days~~  
1-21 ~~before the date of an election of directors, notice~~] of an [~~the~~]  
1-22 election of directors shall be published in accordance with Section  
1-23 4.003, Election Code, [~~one-time~~] in a newspaper or newspapers that  
1-24 individually or collectively have general circulation in the  
1-25 district.

1-26 SECTION 3. Section 1032.061, Special District Local Laws  
1-27 Code, as effective April 1, 2009, is amended by adding Subsections  
1-28 (d) and (e) to read as follows:

1-29 (d) The board may employ physicians or other health care  
1-30 providers as the board considers necessary for the efficient  
1-31 operation of the district.

1-32 (e) This section may not be construed as authorizing the  
1-33 board to supervise or control the practice of medicine, as  
1-34 prohibited by Subtitle B, Title 3, Occupations Code.

1-35 SECTION 4. Section 1032.110, Special District Local Laws  
1-36 Code, as effective April 1, 2009, is amended to read as follows:

1-37 Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction  
1-38 contract that involves the expenditure of more than the amount  
1-39 provided by Section 271.024, Local Government Code, [~~\$10,000~~] may  
1-40 be made only after competitive bidding [~~advertising~~] in the manner  
1-41 provided by Subchapter B, Chapter 271 [~~Chapter 252 and Subchapter~~  
1-42 ~~C, Chapter 262~~], Local Government Code.

1-43 SECTION 5. Subchapter D, Chapter 1032, Special District  
1-44 Local Laws Code, as effective April 1, 2009, is amended by adding  
1-45 Section 1032.161 to read as follows:

1-46 Sec. 1032.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

1-47 (a) The board may borrow money at a rate not to exceed the maximum  
1-48 annual percentage rate allowed by law for district obligations at  
1-49 the time the loan is made.

1-50 (b) To secure a loan, the board may pledge:

1-51 (1) district revenue that is not pledged to pay the  
1-52 district's bonded indebtedness;

1-53 (2) a district tax to be imposed by the district in the  
1-54 next 12-month period following the date of the pledge that is not  
1-55 pledged to pay the principal of or interest on district bonds; or

1-56 (3) a district bond that has been authorized but not  
1-57 sold.

1-58 (c) A loan for which taxes or bonds are pledged must mature  
1-59 not later than the first anniversary of the date the loan is made. A  
1-60 loan for which district revenue is pledged must mature not later  
1-61 than the fifth anniversary of the date the loan is made.

1-62 SECTION 6. Subchapter E, Chapter 1032, Special District  
1-63 Local Laws Code, as effective April 1, 2009, is amended by adding

2-1 Sections 1032.209 and 1032.210 to read as follows:

2-2 Sec. 1032.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
 2-3 BONDS. In addition to the authority to issue general obligation  
 2-4 bonds and revenue bonds under this subchapter, the board may  
 2-5 provide for the security and payment of district bonds from a pledge  
 2-6 of a combination of ad valorem taxes as authorized by Section  
 2-7 1032.202 and revenue and other sources authorized by Section  
 2-8 1032.206.

2-9 Sec. 1032.210. USE OF BOND PROCEEDS. The district may use  
 2-10 the proceeds of bonds issued under this subchapter to pay:

2-11 (1) any expense the board determines is reasonable and  
 2-12 necessary to insure, sell, and deliver the bonds;

2-13 (2) interest payments on the bonds during a period of  
 2-14 acquisition or construction of a project or facility to be provided  
 2-15 through the bonds, not to exceed five years;

2-16 (3) costs related to the operation and maintenance of  
 2-17 a project or facility to be provided through the bonds:

2-18 (A) during an estimated period of acquisition or  
 2-19 construction, not to exceed five years; and

2-20 (B) for one year after the project or facility is  
 2-21 acquired or constructed;

2-22 (4) costs related to the financing of the bond funds,  
 2-23 including debt service reserve and contingency funds;

2-24 (5) costs related to the bond issuance;

2-25 (6) costs related to the acquisition of land or  
 2-26 interests in land for a project or facility to be provided through  
 2-27 the bonds; and

2-28 (7) costs of construction of a project or facility to  
 2-29 be provided through the bonds, including the payment of related  
 2-30 professional services and expenses.

2-31 SECTION 7. Chapter 1032, Special District Local Laws Code,  
 2-32 as effective April 1, 2009, is amended by adding Subchapter G to  
 2-33 read as follows:

2-34 SUBCHAPTER G. DISSOLUTION

2-35 Sec. 1032.301. DISSOLUTION; ELECTION. (a) The district  
 2-36 may be dissolved only on approval of a majority of the district  
 2-37 voters voting in an election held for that purpose.

2-38 (b) The board may order an election on the question of  
 2-39 dissolving the district and disposing of the district's assets and  
 2-40 obligations.

2-41 (c) The board shall order an election if the board receives  
 2-42 a petition requesting an election that is signed by at least 15  
 2-43 percent of the registered voters in the district.

2-44 (d) The order calling the election must state:

2-45 (1) the nature of the election, including the  
 2-46 proposition to appear on the ballot;

2-47 (2) the date of the election;

2-48 (3) the hours during which the polls will be open; and

2-49 (4) the location of the polling places.

2-50 (e) Section 41.001(a), Election Code, does not apply to an  
 2-51 election ordered under this section.

2-52 Sec. 1032.302. NOTICE OF ELECTION. (a) The board shall  
 2-53 give notice of an election under this subchapter by publishing once  
 2-54 a week for two consecutive weeks a substantial copy of the election  
 2-55 order in a newspaper with general circulation in the district.

2-56 (b) The first publication of the notice must appear not  
 2-57 later than the 35th day before the date of the election.

2-58 Sec. 1032.303. BALLOT. The ballot for an election under  
 2-59 this subchapter must be printed to permit voting for or against the  
 2-60 proposition: "The dissolution of Gonzales Healthcare Systems."

2-61 Sec. 1032.304. ELECTION RESULTS. (a) If a majority of the  
 2-62 votes in an election under this subchapter favor dissolution, the  
 2-63 board shall find that the district is dissolved.

2-64 (b) If a majority of the votes in the election do not favor  
 2-65 dissolution, the board shall continue to administer the district  
 2-66 and another election on the question of dissolution may not be held  
 2-67 before the first anniversary of the date of the most recent election  
 2-68 on the question of dissolution.

2-69 Sec. 1032.305. TRANSFER OF ADMINISTRATION OF ASSETS.

3-1 (a) If a majority of the votes in the election held under this  
3-2 subchapter favor dissolution, the board shall:

3-3 (1) transfer the land, buildings, improvements,  
3-4 equipment, and other assets that belong to the district to Gonzales  
3-5 County or another governmental entity in Gonzales County; or

3-6 (2) administer the property, assets, and debts until  
3-7 all money has been disposed of and all district debts have been paid  
3-8 or settled.

3-9 (b) If the district makes the transfer under Subsection  
3-10 (a)(1), the county or entity assumes all debts and obligations of  
3-11 the district at the time of the transfer, and the district is  
3-12 dissolved.

3-13 (c) If Subsection (a)(1) does not apply and the board  
3-14 administers the property, assets, and debts of the district under  
3-15 Subsection (a)(2), the district is dissolved when all money has  
3-16 been disposed of and all district debts have been paid or settled.

3-17 Sec. 1032.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
3-18 TAXES. (a) After the board finds that the district is dissolved,  
3-19 the board shall:

3-20 (1) determine the debt owed by the district; and

3-21 (2) impose on the property included in the district's  
3-22 tax rolls a tax that is in proportion of the debt to the property  
3-23 value.

3-24 (b) On the payment of all outstanding debts and obligations  
3-25 of the district, the board shall order the secretary to return to  
3-26 each district taxpayer the taxpayer's pro rata share of all unused  
3-27 tax money.

3-28 (c) A taxpayer may request that the taxpayer's share of  
3-29 surplus tax money be credited to the taxpayer's county taxes. If a  
3-30 taxpayer requests the credit, the board shall direct the secretary  
3-31 to transmit the money to the county tax assessor-collector.

3-32 Sec. 1032.307. REPORT; DISSOLUTION ORDER. (a) After the  
3-33 district has paid all its debts and has disposed of all its money  
3-34 and other assets as prescribed by this subchapter, the board shall  
3-35 file a written report with the Commissioners Court of Gonzales  
3-36 County summarizing the board's actions in dissolving the district.

3-37 (b) Not later than the 10th day after the date the  
3-38 Commissioners Court of Gonzales County receives the report and  
3-39 determines that the requirements of this subchapter have been  
3-40 fulfilled, the commissioners court shall enter an order dissolving  
3-41 the district and releasing the board from any further duty or  
3-42 obligation.

3-43 SECTION 8. Section 1032.053, Special District Local Laws  
3-44 Code, as effective April 1, 2009, is repealed.

3-45 SECTION 9. (a) All elections for directors of Gonzales  
3-46 Healthcare Systems held before the effective date of this Act, and  
3-47 all governmental and proprietary actions of Gonzales Healthcare  
3-48 Systems taken before the effective date of this Act, are validated,  
3-49 ratified, and confirmed in all respects as if the actions had been  
3-50 taken as authorized by law.

3-51 (b) This section does not apply to any matter that on the  
3-52 effective date of this Act:

3-53 (1) is involved in litigation if the litigation  
3-54 ultimately results in the matter being held invalid by a final  
3-55 judgment of a court; or

3-56 (2) has been held invalid by a final judgment of a  
3-57 court.

3-58 SECTION 10. This Act takes effect immediately if it  
3-59 receives a vote of two-thirds of all the members elected to each  
3-60 house, as provided by Section 39, Article III, Texas Constitution.  
3-61 If this Act does not receive the vote necessary for immediate  
3-62 effect, this Act takes effect September 1, 2009.

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