

1-1 By: Duncan S.B. No. 2093  
1-2 (In the Senate - Filed March 13, 2009; March 31, 2009, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 20, 2009, reported favorably by the following  
1-5 vote: Yeas 5, Nays 0; April 20, 2009, sent to printer.)

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

1-8 relating to the North Wheeler County Hospital District.

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

1-10 SECTION 1. Section 4, Chapter 260, Acts of the 58th  
1-11 Legislature, Regular Session, 1963, is amended to read as follows:

1-12 Sec. 4. DISTRICT MANAGEMENT. ~~The District [Within ten (10)~~  
1-13 ~~days after such election is held the Commissioners Court of said~~  
1-14 ~~County shall convene and canvass the returns thereof and in the~~  
1-15 ~~event such election results favorably to the proposition specified~~  
1-16 ~~in Section 3 hereof, such District]~~ shall be governed by a Board of  
1-17 Directors to consist of five (5) members, who shall serve without  
1-18 pay. Two Directors are elected from each commissioners precinct  
1-19 included in the District, and one Director is elected from the  
1-20 District at large. Unless four-year terms are established under  
1-21 Section 285.081, Health and Safety Code, Directors serve staggered  
1-22 two-year terms. Each such Director must at the time of [~~his~~]  
1-23 election or appointment [~~hereunder,~~] be a resident of the District,  
1-24 be a registered voter, [own property subject to taxation therein]  
1-25 and be more than eighteen (18) [twenty-one (21)] years of age. A  
1-26 person who is elected from a commissioners precinct or who is  
1-27 appointed to fill a vacancy for a commissioners precinct must be a  
1-28 resident of that precinct. A District employee may not serve as a  
1-29 Director. [Not less than fifteen (15) nor more than twenty-five  
1-30 (25) days after the District is declared established and created  
1-31 the Commissioners Court shall call an election for the five (5)  
1-32 Directors who will serve as the District's first Board of  
1-33 Directors, this election to be held on a date not more than thirty  
1-34 (30) days after the day of the passage of the Commissioners Court  
1-35 order calling same but on such date as will permit publication of an  
1-36 election notice in a newspaper of general circulation in Wheeler  
1-37 County one (1) time not less than ten (10) days prior to such  
1-38 election date. Any candidate desiring to be voted upon as a first  
1-39 Director shall, no later than three (3) days prior to the day of  
1-40 passage of the Commissioners Court order calling the election,  
1-41 present a petition to that Court signed by such candidate and not  
1-42 less than five (5) qualified voters residing in the candidate's  
1-43 voting precinct, requesting that his name be placed upon the  
1-44 official ballot. For the purpose of electing Directors, the  
1-45 Hospital District shall be divided into five (5) voting precincts  
1-46 which shall be made up of the parts of the following school  
1-47 districts which lie within the Hospital District, using school  
1-48 district boundaries as of January 1, 1963, as follows: Allison,  
1-49 Kelton, Briscoe, Wheeler plus any part of Sections 14 and 15 of  
1-50 Block 27, H & G.N. Survey that are within the boundaries of the  
1-51 Hospital District, and Mobeetic plus any part of Sections 69 and 70  
1-52 of Block 24 of H and G.N. Survey that are within the boundaries of  
1-53 the Hospital District. Any territory within the Hospital District,  
1-54 but not within one of the five (5) school districts, shall be added  
1-55 to the nearest Hospital District voting precinct by the action of  
1-56 the Board of Directors of the Hospital District. Each voting  
1-57 precinct of the Hospital District shall be represented by one (1)  
1-58 Director who must reside within the voting precinct. The regular  
1-59 term of each Director shall be for two (2) years but after the first  
1-60 called election, the Directors by lot shall select three (3)  
1-61 Directors for two (2) year terms, and two (2) Directors for one (1)  
1-62 year terms. The first year terms shall be ended on the date of the  
1-63 first annual election as hereinafter provided. No person shall be  
1-64 appointed or elected as a member of the Board of Directors of said

2-1 ~~Hospital District unless he is a resident of the voting precinct~~  
 2-2 ~~thereof and owns property subject to taxation therein and unless at~~  
 2-3 ~~the time of such election or appointment he shall be more than~~  
 2-4 ~~twenty-one (21) years of age.]~~ Each member of the Board of  
 2-5 Directors shall qualify by executing the constitutional oath of  
 2-6 office and shall execute a good and sufficient commercial bond for  
 2-7 One Thousand Dollars (\$1,000) payable to said District conditioned  
 2-8 upon the faithful performance of his duties, and such oaths and  
 2-9 bonds shall be deposited with the depository bank of the District  
 2-10 for safekeeping. The cost of this bond shall be an expense of the  
 2-11 Hospital District.

2-12 The Board of Directors shall organize by electing one (1) of  
 2-13 their number as president, and one (1) as vice president and one (1)  
 2-14 as secretary. Any three (3) members of the Board of Directors shall  
 2-15 constitute a quorum and a concurrence of three (3) shall be  
 2-16 sufficient in all matters pertaining to the business of the  
 2-17 District. All vacancies in the office of Director shall be filled  
 2-18 for the unexpired term by appointment of the remainder of the Board  
 2-19 of Directors. In the event the number of Directors shall be reduced  
 2-20 to less than three (3) for any reason, the remaining Directors shall  
 2-21 immediately call a special election to fill said vacancies, and  
 2-22 upon failure to do so a District Court may, upon application of any  
 2-23 voter or taxpayer of the District, issue a mandate requiring that  
 2-24 such election be ordered by the remaining Directors. An election  
 2-25 shall be held each year on the May uniform election date prescribed  
 2-26 by Section 41.001, Election Code, to elect the appropriate number  
 2-27 of Directors.

2-28 Notice ~~[A regular election of Directors shall be held on the~~  
 2-29 ~~same day that the election of trustees of public schools is held~~  
 2-30 ~~each year and notice]~~ of such election shall be published in a  
 2-31 newspaper of general circulation in the County in accordance with  
 2-32 Section 4.003, Election Code ~~[one (1) time at least ten (10) days~~  
 2-33 ~~prior to the date of election]~~. Any person desiring the person's  
 2-34 [his] name to be printed on the ballot as a candidate for Director  
 2-35 shall file an application ~~[a petition, signed by not less than five~~  
 2-36 ~~(5) qualified voters residing in the candidate's voting precinct~~  
 2-37 ~~asking that such name be printed on the ballot,]~~ with the secretary  
 2-38 of the Board of Directors of the District in accordance with Chapter  
 2-39 144, Election Code. ~~[Such petition shall be filed with such~~  
 2-40 ~~secretary at least twenty-five (25) days prior to the date of~~  
 2-41 ~~election. All qualified electors residing within the District~~  
 2-42 ~~shall be eligible to vote for Directors, provided, however, that~~  
 2-43 ~~such eligible elector can vote only to select a Director from the~~  
 2-44 ~~Hospital District voting precinct of the residence of such~~  
 2-45 ~~elector.]~~

2-46 SECTION 2. Section 6, Chapter 260, Acts of the 58th  
 2-47 Legislature, Regular Session, 1963, is amended to read as follows:

2-48 Sec. 6. FISCAL YEAR-AUDIT-ACCOUNTING. The District  
 2-49 operates on a fiscal year established by the Board of Directors.  
 2-50 The fiscal year may not be changed if revenue bonds are outstanding  
 2-51 or more than once in a 24-month period. The Board ~~[shall be~~  
 2-52 ~~operated on a fiscal year commencing on October 1st of each year and~~  
 2-53 ~~ending on September 30th of the succeeding year and it]~~ shall cause  
 2-54 an audit to be made of the financial condition of said District  
 2-55 which shall at all times be open to inspection at the principal  
 2-56 office of the District. In addition the Administrator or Manager  
 2-57 shall prepare an annual budget for approval by the Board of  
 2-58 Directors of said District. As soon as practical after the close of  
 2-59 each fiscal year the Administrator or Manager shall prepare for the  
 2-60 Board a full sworn statement of all moneys belonging to the District  
 2-61 and a full account of the disbursements of same.

2-62 SECTION 3. Chapter 260, Acts of the 58th Legislature,  
 2-63 Regular Session, 1963, is amended by adding Sections 7A, 7B, and 7C  
 2-64 to read as follows:

2-65 Sec. 7A. REVENUE BONDS. (a) The Board of Directors may  
 2-66 issue revenue bonds to:

- 2-67 (1) purchase, construct, acquire, repair, renovate,
- 2-68 or equip buildings or improvements for hospital system purposes; or
- 2-69 (2) acquire sites to be used for hospital system

3-1 purposes.  
 3-2 (b) The bonds must be payable from and secured by a pledge of  
 3-3 all or part of the revenue derived from the operation of the  
 3-4 District's hospitals.  
 3-5 (c) The bonds may be additionally secured by a mortgage or  
 3-6 deed of trust lien on all or part of the District property.  
 3-7 (d) The bonds must be issued in the manner and in accordance  
 3-8 with the procedures and requirements prescribed by Sections  
 3-9 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
 3-10 issuance of revenue bonds by a county hospital authority.  
 3-11 Sec. 7B. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS.  
 3-12 (a) In addition to the authority to issue general obligation bonds  
 3-13 and revenue bonds under this Act, the Board of Directors may provide  
 3-14 for the security and payment of District bonds from a pledge of a  
 3-15 combination of ad valorem taxes as authorized by Section 7 of this  
 3-16 Act and revenue and other sources as authorized by Section 7A of  
 3-17 this Act.  
 3-18 (b) Bonds, other than refunding bonds, that the Board  
 3-19 proposes to secure wholly or partly by an ad valorem tax must be  
 3-20 approved at an election held in the district in accordance with  
 3-21 Section 7 of this Act.  
 3-22 Sec. 7C. USE OF BOND PROCEEDS. The district may use the  
 3-23 proceeds of bonds issued under this Act to pay:  
 3-24 (1) any expense the Board of Directors determines is  
 3-25 reasonable and necessary to issue, sell, and deliver the bonds;  
 3-26 (2) interest payments on the bonds during a period of  
 3-27 acquisition or construction of a project or facility to be provided  
 3-28 through the bonds, not to exceed five years;  
 3-29 (3) costs related to the operation and maintenance of  
 3-30 a project or facility to be provided through the bonds:  
 3-31 (A) during an estimated period of acquisition or  
 3-32 construction, not to exceed five years; and  
 3-33 (B) for one year after the project or facility is  
 3-34 acquired or constructed;  
 3-35 (4) costs related to the financing of the bond funds,  
 3-36 including debt service reserve and contingency funds;  
 3-37 (5) costs related to the bond issuance;  
 3-38 (6) costs related to the acquisition of land or  
 3-39 interests in land for a project or facility to be provided through  
 3-40 the bonds; and  
 3-41 (7) costs of construction of a project or facility to  
 3-42 be provided through the bonds, including the payment of related  
 3-43 professional services and expenses.  
 3-44 SECTION 4. Chapter 260, Acts of the 58th Legislature,  
 3-45 Regular Session, 1963, is amended by adding Section 22 to read as  
 3-46 follows:  
 3-47 Sec. 22. DISSOLUTION; ELECTION. (a) The District may be  
 3-48 dissolved only if the dissolution is approved by a majority of the  
 3-49 registered voters of the District voting in an election held for  
 3-50 that purpose.  
 3-51 (b) The Board of Directors may order an election on the  
 3-52 question of dissolving the District and disposing of the District's  
 3-53 assets and obligations. The Board shall order an election if the  
 3-54 Board receives a petition requesting an election that is signed by a  
 3-55 number of registered voters of the District equal to at least 15  
 3-56 percent of the registered voters in the District.  
 3-57 (c) Section 41.001, Election Code, does not apply to an  
 3-58 election ordered under this section.  
 3-59 (d) The order calling an election under this section must  
 3-60 state:  
 3-61 (1) the nature of the election, including the  
 3-62 proposition that is to appear on the ballot;  
 3-63 (2) the date of the election;  
 3-64 (3) the hours during which the polls will be open; and  
 3-65 (4) the location of the polling places.  
 3-66 (e) The Board of Directors shall give notice of the election  
 3-67 by publishing a substantial copy of the election order in a  
 3-68 newspaper with general circulation in the District once a week for  
 3-69 two consecutive weeks. The first publication must appear not later

4-1 than the 35th day before the date set for the election.

4-2 (f) The ballot for the election must be printed to permit  
4-3 voting for or against the proposition: "The dissolution of the  
4-4 North Wheeler County Hospital District."

4-5 (g) If a majority of the votes in the election favor  
4-6 dissolution, the Board of Directors shall find that the District is  
4-7 dissolved. If a majority of the votes in the election do not favor  
4-8 dissolution, the Board shall continue to administer the District,  
4-9 and another election on the question of dissolution may not be held  
4-10 before the first anniversary of the most recent election to  
4-11 dissolve the District.

4-12 (h) If a majority of the votes in the election favor  
4-13 dissolution, the Board of Directors shall:

4-14 (1) transfer the land, buildings, improvements,  
4-15 equipment, and other assets that belong to the District to Wheeler  
4-16 County or another governmental entity in Wheeler County; or

4-17 (2) administer the property, assets, and debts until  
4-18 all money has been disposed of and all District debts have been paid  
4-19 or settled.

4-20 (i) If the District transfers the land, buildings,  
4-21 improvements, equipment, and other assets to Wheeler County or  
4-22 another governmental entity, the county or entity assumes all debts  
4-23 and obligations of the district at the time of the transfer, and the  
4-24 District is dissolved.

4-25 (j) If the District does not transfer the land, buildings,  
4-26 improvements, equipment, and other assets to Wheeler County or  
4-27 another governmental entity, the Board of Directors shall  
4-28 administer the property, assets, and debts of the District until  
4-29 all funds have been disposed of and all District debts have been  
4-30 paid or settled, at which time the District is dissolved.

4-31 (k) After the Board of Directors finds that the district is  
4-32 dissolved, the Board shall:

4-33 (1) determine any debt owed by the District; and

4-34 (2) impose on the property included in the District's  
4-35 tax rolls a tax that is in proportion of the debt to the property  
4-36 value.

4-37 (l) When all outstanding debts and obligations of the  
4-38 district are paid, the Board of Directors shall order the secretary  
4-39 to return to each District taxpayer the taxpayer's pro rata share of  
4-40 all unused tax money.

4-41 (m) A taxpayer may request that the taxpayer's share of  
4-42 surplus tax money be credited to the taxpayer's county taxes. If a  
4-43 taxpayer requests the credit, the Board of Directors shall direct  
4-44 the secretary to transmit the money to the county tax  
4-45 assessor-collector.

4-46 (n) After the District has paid all its debts and has  
4-47 disposed of all its assets and money as prescribed by this section,  
4-48 the Board of Directors shall file a written report with the  
4-49 Commissioners Court of Wheeler County summarizing the Board's  
4-50 actions in dissolving the District.

4-51 (o) Not later than the 10th day after the date it receives  
4-52 the report and determines that the requirements of this section  
4-53 have been fulfilled, the Commissioners Court of Wheeler County  
4-54 shall enter an order dissolving the District and releasing the  
4-55 Board of Directors of the District from any further duty or  
4-56 obligation.

4-57 SECTION 5. (a) The election of three directors of the  
4-58 North Wheeler County Hospital District scheduled before the  
4-59 effective date of this Act to be held in May 2010 shall be held, and  
4-60 two directors shall be elected from Precinct 2 and one director  
4-61 shall be elected from the district at large. The directors elected  
4-62 at the election shall serve two-year terms.

4-63 (b) The election of two directors of the district scheduled  
4-64 before the effective date of this Act to be held in May 2011 shall be  
4-65 held, and two directors shall be elected from Precinct 1. The  
4-66 directors elected at the election shall serve two-year terms.

4-67 SECTION 6. This Act takes effect immediately if it receives  
4-68 a vote of two-thirds of all the members elected to each house, as  
4-69 provided by Section 39, Article III, Texas Constitution. If this

5-1 Act does not receive the vote necessary for immediate effect, this  
5-2 Act takes effect September 1, 2009.

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