

1-1 By: Seliger S.B. No. 310  
1-2 (In the Senate - Filed January 4, 2011; February 2, 2011,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; March 17, 2011, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 March 17, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 310 By: Nichols

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

1-10 relating to the Dallam-Hartley Counties Hospital District.  
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-12 SECTION 1. Section 1018.061, Special District Local Laws  
1-13 Code, is amended by amending Subsection (c) and adding Subsection  
1-14 (d) to read as follows:  
1-15 (c) Except as provided by Section 1018.0615, the [The] board  
1-16 may delegate to the district administrator the authority to hire  
1-17 district employees, including technicians and nurses.  
1-18 (d) The board may employ physicians, but only as provided by  
1-19 Section 1018.0615. The board may employ other health care  
1-20 providers as the board considers necessary for the efficient  
1-21 operation of the district.  
1-22 SECTION 2. Subchapter B, Chapter 1018, Special District  
1-23 Local Laws Code, is amended by adding Section 1018.0615 to read as  
1-24 follows:  
1-25 Sec. 1018.0615. EMPLOYMENT OF PHYSICIANS. (a) The board  
1-26 may employ a physician and retain all or part of the professional  
1-27 income generated by the physician for medical services provided at  
1-28 a hospital or other health care facility owned or operated by the  
1-29 district if the board satisfies the requirements of this section.  
1-30 (b) The board shall:  
1-31 (1) appoint a chief medical officer for the district;  
1-32 and  
1-33 (2) adopt, maintain, and enforce policies to ensure  
1-34 that a physician employed by the district exercises the physician's  
1-35 independent medical judgment in providing care to patients.  
1-36 (c) The policies adopted under this section must include:  
1-37 (1) policies relating to:  
1-38 (A) credentialing;  
1-39 (B) quality assurance;  
1-40 (C) utilization review;  
1-41 (D) peer review; and  
1-42 (E) medical decision-making; and  
1-43 (2) the implementation of a complaint mechanism to  
1-44 process and resolve complaints regarding interference or attempted  
1-45 interference with a physician's independent medical judgment.  
1-46 (d) The policies adopted under this section:  
1-47 (1) must be approved by the chief medical officer of  
1-48 the district; and  
1-49 (2) shall prevail over a conflicting policy of the  
1-50 district.  
1-51 (e) For all matters relating to the practice of medicine,  
1-52 each physician employed by the board shall ultimately report to the  
1-53 chief medical officer of the district.  
1-54 (f) The chief medical officer will report immediately to the  
1-55 Texas Medical Board any action or event that the chief medical  
1-56 officer reasonably and in good faith believes constitutes a  
1-57 compromise of the independent medical judgment of a physician in  
1-58 caring for a patient.  
1-59 (g) The board may not delegate to the district administrator  
1-60 the authority to hire a physician.  
1-61 (h) This section may not be construed as authorizing the  
1-62 board to supervise or control the practice of medicine as  
1-63 prohibited under Subtitle B, Title 3, Occupations Code.

2-1 SECTION 3. Section 1018.161, Special District Local Laws  
 2-2 Code, is amended to read as follows:

2-3 Sec. 1018.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

2-4 (a) The board may borrow money at a rate [for district operating  
 2-5 expenses in an amount] not to exceed the maximum annual percentage  
 2-6 rate allowed by law for district obligations at the time the loan is  
 2-7 made [amount of tax or other revenue the district expects to receive  
 2-8 during the fiscal year in which the money is borrowed].

2-9 (b) To secure a loan, the board may pledge:

2-10 (1) district revenue that is not pledged to pay the  
 2-11 district's bonded indebtedness;

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

2-15 (3) district bonds that have been authorized but not  
 2-16 sold.

2-17 (c) A loan for which taxes or bonds are pledged must mature  
 2-18 not later than the first anniversary of the date the loan is made. A  
 2-19 loan for which district revenue is pledged must mature not later  
 2-20 than the fifth anniversary of the date the loan is made [To repay  
 2-21 the debt, the district may pledge all or part of the tax or other  
 2-22 revenue received during the fiscal year in which the board borrows  
 2-23 money under this section].

2-24 SECTION 4. Subchapter E, Chapter 1018, Special District  
 2-25 Local Laws Code, is amended by adding Sections 1018.209 and  
 2-26 1018.210 to read as follows:

2-27 Sec. 1018.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
 2-28 BONDS. In addition to the authority to issue general obligation  
 2-29 bonds and revenue bonds under this subchapter, the board may  
 2-30 provide for the security and payment of district bonds from a pledge  
 2-31 of a combination of ad valorem taxes as authorized by Section  
 2-32 1018.202 and revenue and other sources authorized by Section  
 2-33 1018.206.

2-34 Sec. 1018.210. USE OF BOND PROCEEDS. The district may use  
 2-35 the proceeds of bonds issued under this subchapter to pay:

2-36 (1) any expense the board determines is reasonable and  
 2-37 necessary to issue, sell, and deliver the bonds;

2-38 (2) interest payments on the bonds during a period of  
 2-39 acquisition or construction of a project or facility to be provided  
 2-40 through the bonds, not to exceed five years;

2-41 (3) costs related to the operation and maintenance of  
 2-42 a project or facility to be provided through the bonds:

2-43 (A) during an estimated period of acquisition or  
 2-44 construction, not to exceed five years; and

2-45 (B) for one year after the project or facility is  
 2-46 acquired or constructed;

2-47 (4) costs related to the financing of the bond funds,  
 2-48 including debt service reserve and contingency funds;

2-49 (5) costs related to the bond issuance;

2-50 (6) costs related to the acquisition of land or  
 2-51 interests in land for a project or facility to be provided through  
 2-52 the bonds; and

2-53 (7) costs of construction of a project or facility to  
 2-54 be provided through the bonds, including the payment of related  
 2-55 professional services and expenses.

2-56 SECTION 5. Chapter 1018, Special District Local Laws Code,  
 2-57 is amended by adding Subchapter G to read as follows:

2-58 SUBCHAPTER G. DISSOLUTION

2-59 Sec. 1018.301. DISSOLUTION; ELECTION. (a) The district  
 2-60 may be dissolved only on approval of a majority of the district  
 2-61 voters voting in an election held for that purpose.

2-62 (b) The board may order an election on the question of  
 2-63 dissolving the district and disposing of the district's assets and  
 2-64 obligations.

2-65 (c) The board shall order an election if the board receives  
 2-66 a petition requesting an election that is signed by at least 15  
 2-67 percent of the registered voters in the district.

2-68 (d) The order calling the election must state:

2-69 (1) the nature of the election, including the

3-1 proposition to appear on the ballot;  
3-2 (2) the date of the election;  
3-3 (3) the hours during which the polls will be open; and  
3-4 (4) the location of the polling places.  
3-5 (e) Section 41.001(a), Election Code, does not apply to an  
3-6 election ordered under this section.  
3-7 Sec. 1018.302. NOTICE OF ELECTION. (a) The board shall  
3-8 give notice of an election under this subchapter by publishing once  
3-9 a week for two consecutive weeks a substantial copy of the election  
3-10 order in a newspaper with general circulation in the district.  
3-11 (b) The first publication of the notice must appear not  
3-12 later than the 35th day before the date set for the election.  
3-13 Sec. 1018.303. BALLOT. The ballot for an election under  
3-14 this subchapter must be printed to permit voting for or against the  
3-15 proposition: "The dissolution of the Dallam-Hartley Counties  
3-16 Hospital District."  
3-17 Sec. 1018.304. ELECTION RESULTS. (a) If a majority of the  
3-18 votes in an election under this subchapter favor dissolution, the  
3-19 board shall find that the district is dissolved.  
3-20 (b) If a majority of the votes in the election do not favor  
3-21 dissolution, the board shall continue to administer the district  
3-22 and another election on the question of dissolution may not be held  
3-23 before the first anniversary of the date of the most recent election  
3-24 on the question of dissolution.  
3-25 Sec. 1018.305. TRANSFER OF ADMINISTRATION OF ASSETS.  
3-26 (a) If a majority of the votes in the election held under this  
3-27 subchapter favor dissolution, the board shall:  
3-28 (1) transfer the land, buildings, improvements,  
3-29 equipment, and other assets that belong to the district to Dallam  
3-30 County or Hartley County or another governmental entity in Dallam  
3-31 County or Hartley County; or  
3-32 (2) administer the property, assets, and debts until  
3-33 all money has been disposed of and all district debts have been paid  
3-34 or settled.  
3-35 (b) If the district makes the transfer under Subsection  
3-36 (a)(1), the county or entity assumes all debts and obligations of  
3-37 the district at the time of the transfer, and the district is  
3-38 dissolved.  
3-39 (c) If Subsection (a)(1) does not apply and the board  
3-40 administers the property, assets, and debts of the district under  
3-41 Subsection (a)(2), the district is dissolved when all money has  
3-42 been disposed of and all district debts have been paid or settled.  
3-43 Sec. 1018.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
3-44 TAXES. (a) After the board finds that the district is dissolved,  
3-45 the board shall:  
3-46 (1) determine the debt owed by the district; and  
3-47 (2) impose on the property included in the district's  
3-48 tax rolls a tax that is in proportion of the debt to the property  
3-49 value.  
3-50 (b) On the payment of all outstanding debts and obligations  
3-51 of the district, the board shall order the secretary to return to  
3-52 each district taxpayer the taxpayer's pro rata share of all unused  
3-53 tax money.  
3-54 (c) A taxpayer may request that the taxpayer's share of  
3-55 surplus tax money be credited to the taxpayer's county taxes. If a  
3-56 taxpayer requests the credit, the board shall direct the secretary  
3-57 to transmit the money to the appropriate county tax  
3-58 assessor-collector.  
3-59 Sec. 1018.307. REPORT; DISSOLUTION ORDER. (a) After the  
3-60 district has paid all district debts and has disposed of all  
3-61 district money and other assets as prescribed by this subchapter,  
3-62 the board shall file a written report with the Commissioners Courts  
3-63 of Dallam and Hartley Counties summarizing the board's actions in  
3-64 dissolving the district.  
3-65 (b) Not later than the 10th day after the date the  
3-66 Commissioners Court of Dallam County receives the report and  
3-67 determines that the requirements of this subchapter have been  
3-68 fulfilled, the commissioners court shall enter an order approving  
3-69 dissolution of the district and releasing the board from any

4-1 further duty or obligation as to Dallam County.

4-2 (c) Not later than the 10th day after the date the  
4-3 Commissioners Court of Hartley County receives the report and  
4-4 determines that the requirements of this subchapter have been  
4-5 fulfilled, the commissioners court shall enter an order approving  
4-6 dissolution of the district and releasing the board from any  
4-7 further duty or obligation as to Hartley County.

4-8 (d) Dissolution under this section is complete on entry of  
4-9 the later of the two orders described by Subsections (b) and (c).

4-10 SECTION 6. This Act takes effect immediately if it receives  
4-11 a vote of two-thirds of all the members elected to each house, as  
4-12 provided by Section 39, Article III, Texas Constitution. If this  
4-13 Act does not receive the vote necessary for immediate effect, this  
4-14 Act takes effect September 1, 2011.

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