

By: Fraser  
(Miller of Erath)

S.B. No. 490

A BILL TO BE ENTITLED

AN ACT

relating to the Hamilton County Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1036.004, Special District Local Laws Code, is amended to read as follows:

Sec. 1036.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Commissioners Precincts 1, 2, and 4 of Hamilton County as those boundaries existed on June 14, 1989, unless the district's boundaries are expanded to be coextensive with the boundaries of the county under Subchapter G.

SECTION 2. Subsection (b), Section 1036.051, Special District Local Laws Code, is amended to read as follows:

(b) One director is elected from each commissioners precinct included in the district and two directors are elected from the district at large. If the district is expanded under Subchapter G so that the boundaries are coextensive with the boundaries of the county, one director is elected from each commissioners precinct and one director is elected from the district at large. The board shall determine which director position elected from the district at large will convert into a position elected from the additional precinct.

SECTION 3. Section 1036.052, Special District Local Laws Code, is amended to read as follows:

1           Sec. 1036.052. NOTICE OF ELECTION. Notice [~~At least 35 days~~  
2 ~~before the date of an election of directors, notice~~] of the election  
3 shall be published in accordance with Section 4.003, Election Code,  
4 [~~one time~~] in a newspaper with general circulation in the district.

5           SECTION 4. Section 1036.053, Special District Local Laws  
6 Code, is amended to read as follows:

7           Sec. 1036.053. BALLOT APPLICATION [~~PETITION~~]. A person who  
8 wants to have the person's name printed on the ballot as a candidate  
9 for director must file with the board secretary an application in  
10 accordance with Chapter 144, Election Code [~~a petition requesting~~  
11 ~~that action. The petition must:~~

12                   [~~(1) be signed by at least 10 registered voters of the~~  
13 ~~district, as determined by the most recent official lists of~~  
14 ~~registered voters;~~

15                   [~~(2) be filed not later than the 31st day before the~~  
16 ~~date of the election; and~~

17                   [~~(3) specify the commissioners precinct the candidate~~  
18 ~~wants to represent or specify that the candidate wants to represent~~  
19 ~~the district at large].~~

20           SECTION 5. Subsection (a), Section 1036.160, Special  
21 District Local Laws Code, is amended to read as follows:

22           (a) Except as provided by Sections 1036.111, 1036.161,  
23 1036.201, 1036.204, [and] 1036.205, and 1036.210, the district may  
24 not incur a debt payable from district revenue other than the  
25 revenue on hand or to be on hand in the current and the immediately  
26 following district fiscal years.

27           SECTION 6. Subchapter D, Chapter 1036, Special District

1 Local Laws Code, is amended by adding Section 1036.161 to read as  
2 follows:

3 Sec. 1036.161. AUTHORITY TO BORROW MONEY; SECURITY.

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

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

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

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

13 (3) district bonds that have been authorized but not  
14 sold.

15 (c) A loan for which taxes or bonds are pledged must mature  
16 not later than the first anniversary of the date the loan is  
17 made. A loan for which district revenue is pledged must mature not  
18 later than the fifth anniversary of the date the loan is made.

19 SECTION 7. Subchapter E, Chapter 1036, Special District  
20 Local Laws Code, is amended by adding Section 1036.210 to read as  
21 follows:

22 Sec. 1036.210. USE OF BOND PROCEEDS. The district may use  
23 the proceeds of bonds issued under this subchapter to pay:

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

26 (2) interest payments on the bonds during a period of  
27 acquisition or construction of a project or facility to be provided

1 through the bonds, not to exceed five years;

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

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

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

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

10 (5) costs related to the bond issuance;

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

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

17 SECTION 8. Chapter 1036, Special District Local Laws Code,  
18 is amended by adding Subchapters G and H to read as follows:

19 SUBCHAPTER G. EXPANSION OF DISTRICT TERRITORY

20 Sec. 1036.301. EXPANSION OF DISTRICT TERRITORY TO ENTIRE  
21 COUNTY. The district may expand its territory boundaries to be  
22 coextensive with the boundaries of the county in the manner  
23 provided by Section 286.101, Health and Safety Code, for the  
24 expansion of the territory of a hospital district created under  
25 Chapter 286, Health and Safety Code.

26 SUBCHAPTER H. DISSOLUTION

27 Sec. 1036.401. DISSOLUTION; ELECTION. (a) The district

1 may be dissolved only on approval of a majority of the district  
2 voters voting in an election held for that purpose.

3 (b) The board may order an election on the question of  
4 dissolving the district and disposing of the district's assets and  
5 obligations.

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

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

10 (1) the nature of the election, including the  
11 proposition to appear on the ballot;

12 (2) the date of the election;

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

14 (4) the location of the polling places.

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

17 Sec. 1036.402. NOTICE OF ELECTION. (a) The board shall  
18 give notice of an election under this subchapter by publishing once  
19 a week for two consecutive weeks a substantial copy of the election  
20 order in a newspaper with general circulation in the district.

21 (b) The first publication of the notice must appear not  
22 later than the 35th day before the date set for the election.

23 Sec. 1036.403. BALLOT. The ballot for an election under  
24 this subchapter must be printed to permit voting for or against the  
25 proposition: "The dissolution of the Hamilton County Hospital  
26 District."

27 Sec. 1036.404. ELECTION RESULTS. (a) If a majority of the

1 votes in an election under this subchapter favor dissolution, the  
2 board shall find that the district is dissolved.

3 (b) If a majority of the votes in the election do not favor  
4 dissolution, the board shall continue to administer the district  
5 and another election on the question of dissolution may not be held  
6 before the first anniversary of the date of the most recent election  
7 on the question of dissolution.

8 Sec. 1036.405. TRANSFER OR ADMINISTRATION OF ASSETS.

9 (a) If a majority of the votes in the election held under this  
10 subchapter favor dissolution, the board shall:

11 (1) transfer the land, buildings, improvements,  
12 equipment, and other assets that belong to the district to Hamilton  
13 County or another governmental entity in Hamilton County; or

14 (2) administer the property, assets, and debts until  
15 all money has been disposed of and all district debts have been paid  
16 or settled.

17 (b) If the district makes the transfer under Subsection  
18 (a)(1), the county or entity assumes all debts and obligations of  
19 the district at the time of the transfer, and the district is  
20 dissolved.

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

25 Sec. 1036.406. IMPOSITION OF TAX AND RETURN OF SURPLUS

26 TAXES. (a) After the board finds that the district is dissolved,  
27 the board shall:

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

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

5           (b) On the payment of all outstanding debts and obligations  
6 of the district, the board shall order the secretary to return to  
7 each district taxpayer the taxpayer's pro rata share of all unused  
8 tax money.

9           (c) A taxpayer may request that the taxpayer's share of  
10 surplus tax money be credited to the taxpayer's county taxes. If a  
11 taxpayer requests the credit, the board shall direct the secretary  
12 to transmit the money to the appropriate county tax  
13 assessor-collector.

14           Sec. 1036.407. REPORT; DISSOLUTION ORDER. (a) After the  
15 district has paid all district debts and has disposed of all  
16 district money and other assets as prescribed by this subchapter,  
17 the board shall file a written report with the Commissioners Court  
18 of Hamilton County summarizing the board's actions in dissolving  
19 the district.

20           (b) Not later than the 10th day after the date the  
21 Commissioners Court of Hamilton County receives the report and  
22 determines that the requirements of this subchapter have been  
23 fulfilled, the commissioners court shall enter an order approving  
24 dissolution of the district and releasing the board from any  
25 further duty or obligation.

26           SECTION 9. This Act takes effect September 1, 2011.