

1-1 By: Fraser S.B. No. 490
1-2 (In the Senate - Filed February 1, 2011; February 14, 2011,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 14, 2011, reported favorably by the following
1-5 vote: Yeas 4, Nays 0; March 14, 2011, sent to printer.)

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

1-8 relating to the Hamilton County Hospital District.

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

1-10 SECTION 1. Section 1036.004, Special District Local Laws
1-11 Code, is amended to read as follows:

1-12 Sec. 1036.004. DISTRICT TERRITORY. The boundaries of the
1-13 district are coextensive with the boundaries of Commissioners
1-14 Precincts 1, 2, and 4 of Hamilton County as those boundaries existed
1-15 on June 14, 1989, unless the district's boundaries are expanded to
1-16 be coextensive with the boundaries of the county under Subchapter
1-17 G.

1-18 SECTION 2. Subsection (b), Section 1036.051, Special
1-19 District Local Laws Code, is amended to read as follows:

1-20 (b) One director is elected from each commissioners
1-21 precinct included in the district and two directors are elected
1-22 from the district at large. If the district is expanded under
1-23 Subchapter G so that the boundaries are coextensive with the
1-24 boundaries of the county, one director is elected from each
1-25 commissioners precinct and one director is elected from the
1-26 district at large. The board shall determine which director
1-27 position elected from the district at large will convert into a
1-28 position elected from the additional precinct.

1-29 SECTION 3. Section 1036.052, Special District Local Laws
1-30 Code, is amended to read as follows:

1-31 Sec. 1036.052. NOTICE OF ELECTION. Notice [At least 35 days
1-32 before the date of an election of directors, notice] of the election
1-33 shall be published in accordance with Section 4.003, Election Code,
1-34 [one time] in a newspaper with general circulation in the district.

1-35 SECTION 4. Section 1036.053, Special District Local Laws
1-36 Code, is amended to read as follows:

1-37 Sec. 1036.053. BALLOT APPLICATION [~~PETITION~~]. A person who
1-38 wants to have the person's name printed on the ballot as a candidate
1-39 for director must file with the board secretary an application in
1-40 accordance with Chapter 144, Election Code [a petition requesting
1-41 that action. The petition must:

1-42 [(1) be signed by at least 10 registered voters of the
1-43 district, as determined by the most recent official lists of
1-44 registered voters,

1-45 [(2) be filed not later than the 31st day before the
1-46 date of the election, and

1-47 [(3) specify the commissioners precinct the candidate
1-48 wants to represent or specify that the candidate wants to represent
1-49 the district at large].

1-50 SECTION 5. Subsection (a), Section 1036.160, Special
1-51 District Local Laws Code, is amended to read as follows:

1-52 (a) Except as provided by Sections 1036.111, 1036.161,
1-53 1036.201, 1036.204, [and] 1036.205, and 1036.210, the district may
1-54 not incur a debt payable from district revenue other than the
1-55 revenue on hand or to be on hand in the current and the immediately
1-56 following district fiscal years.

1-57 SECTION 6. Subchapter D, Chapter 1036, Special District
1-58 Local Laws Code, is amended by adding Section 1036.161 to read as
1-59 follows:

1-60 Sec. 1036.161. AUTHORITY TO BORROW MONEY; SECURITY.

1-61 (a) The board may borrow money at a rate not to exceed the maximum
1-62 annual percentage rate allowed by law for district obligations at
1-63 the time the loan is made.

1-64 (b) To secure a loan, the board may pledge:

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

2-3 (2) a district tax to be imposed by the district during
 2-4 the 12-month period following the date of the pledge that is not
 2-5 pledged to pay the principal of or interest on district bonds; or

2-6 (3) district bonds that have been authorized but not
 2-7 sold.

2-8 (c) A loan for which taxes or bonds are pledged must mature
 2-9 not later than the first anniversary of the date the loan is
 2-10 made. A loan for which district revenue is pledged must mature not
 2-11 later than the fifth anniversary of the date the loan is made.

2-12 SECTION 7. Subchapter E, Chapter 1036, Special District
 2-13 Local Laws Code, is amended by adding Section 1036.210 to read as
 2-14 follows:

2-15 Sec. 1036.210. USE OF BOND PROCEEDS. The district may use
 2-16 the proceeds of bonds issued under this subchapter to pay:

2-17 (1) any expense the board determines is reasonable and
 2-18 necessary to issue, sell, and deliver the bonds;

2-19 (2) interest payments on the bonds during a period of
 2-20 acquisition or construction of a project or facility to be provided
 2-21 through the bonds, not to exceed five years;

2-22 (3) costs related to the operation and maintenance of
 2-23 a project or facility to be provided through the bonds:

2-24 (A) during an estimated period of acquisition or
 2-25 construction, not to exceed five years; and

2-26 (B) for one year after the project or facility is
 2-27 acquired or constructed;

2-28 (4) costs related to the financing of the bond funds,
 2-29 including debt service reserve and contingency funds;

2-30 (5) costs related to the bond issuance;

2-31 (6) costs related to the acquisition of land or
 2-32 interests in land for a project or facility to be provided through
 2-33 the bonds; and

2-34 (7) construction costs of a project or facility to be
 2-35 provided through the bonds, including the payment of related
 2-36 professional services and expenses.

2-37 SECTION 8. Chapter 1036, Special District Local Laws Code,
 2-38 is amended by adding Subchapters G and H to read as follows:

2-39 SUBCHAPTER G. EXPANSION OF DISTRICT TERRITORY

2-40 Sec. 1036.301. EXPANSION OF DISTRICT TERRITORY TO ENTIRE
 2-41 COUNTY. The district may expand its territory boundaries to be
 2-42 coextensive with the boundaries of the county in the manner
 2-43 provided by Section 286.101, Health and Safety Code, for the
 2-44 expansion of the territory of a hospital district created under
 2-45 Chapter 286, Health and Safety Code.

2-46 SUBCHAPTER H. DISSOLUTION

2-47 Sec. 1036.401. DISSOLUTION; ELECTION. (a) The district
 2-48 may be dissolved only on approval of a majority of the district
 2-49 voters voting in an election held for that purpose.

2-50 (b) The board may order an election on the question of
 2-51 dissolving the district and disposing of the district's assets and
 2-52 obligations.

2-53 (c) The board shall order an election if the board receives
 2-54 a petition requesting an election that is signed by at least 15
 2-55 percent of the registered voters in the district.

2-56 (d) The order calling the election must state:

2-57 (1) the nature of the election, including the
 2-58 proposition to appear on the ballot;

2-59 (2) the date of the election;

2-60 (3) the hours during which the polls will be open; and

2-61 (4) the location of the polling places.

2-62 (e) Section 41.001(a), Election Code, does not apply to an
 2-63 election ordered under this section.

2-64 Sec. 1036.402. NOTICE OF ELECTION. (a) The board shall
 2-65 give notice of an election under this subchapter by publishing once
 2-66 a week for two consecutive weeks a substantial copy of the election
 2-67 order in a newspaper with general circulation in the district.

2-68 (b) The first publication of the notice must appear not
 2-69 later than the 35th day before the date set for the election.

3-1 Sec. 1036.403. BALLOT. The ballot for an election under
 3-2 this subchapter must be printed to permit voting for or against the
 3-3 proposition: "The dissolution of the Hamilton County Hospital
 3-4 District."

3-5 Sec. 1036.404. ELECTION RESULTS. (a) If a majority of the
 3-6 votes in an election under this subchapter favor dissolution, the
 3-7 board shall find that the district is dissolved.

3-8 (b) If a majority of the votes in the election do not favor
 3-9 dissolution, the board shall continue to administer the district
 3-10 and another election on the question of dissolution may not be held
 3-11 before the first anniversary of the date of the most recent election
 3-12 on the question of dissolution.

3-13 Sec. 1036.405. TRANSFER OR ADMINISTRATION OF ASSETS.
 3-14 (a) If a majority of the votes in the election held under this
 3-15 subchapter favor dissolution, the board shall:

3-16 (1) transfer the land, buildings, improvements,
 3-17 equipment, and other assets that belong to the district to Hamilton
 3-18 County or another governmental entity in Hamilton County; or

3-19 (2) administer the property, assets, and debts until
 3-20 all money has been disposed of and all district debts have been paid
 3-21 or settled.

3-22 (b) If the district makes the transfer under Subsection
 3-23 (a)(1), the county or entity assumes all debts and obligations of
 3-24 the district at the time of the transfer, and the district is
 3-25 dissolved.

3-26 (c) If Subsection (a)(1) does not apply and the board
 3-27 administers the property, assets, and debts of the district under
 3-28 Subsection (a)(2), the district is dissolved when all money has
 3-29 been disposed of and all district debts have been paid or settled.

3-30 Sec. 1036.406. IMPOSITION OF TAX AND RETURN OF SURPLUS
 3-31 TAXES. (a) After the board finds that the district is dissolved,
 3-32 the board shall:

3-33 (1) determine the debt owed by the district; and

3-34 (2) impose on the property included in the district's
 3-35 tax rolls a tax that is in proportion of the debt to the property
 3-36 value.

3-37 (b) On the payment of all outstanding debts and obligations
 3-38 of the district, the board shall order the secretary to return to
 3-39 each district taxpayer the taxpayer's pro rata share of all unused
 3-40 tax money.

3-41 (c) A taxpayer may request that the taxpayer's share of
 3-42 surplus tax money be credited to the taxpayer's county taxes. If a
 3-43 taxpayer requests the credit, the board shall direct the secretary
 3-44 to transmit the money to the appropriate county tax
 3-45 assessor-collector.

3-46 Sec. 1036.407. REPORT; DISSOLUTION ORDER. (a) After the
 3-47 district has paid all district debts and has disposed of all
 3-48 district money and other assets as prescribed by this subchapter,
 3-49 the board shall file a written report with the Commissioners Court
 3-50 of Hamilton County summarizing the board's actions in dissolving
 3-51 the district.

3-52 (b) Not later than the 10th day after the date the
 3-53 Commissioners Court of Hamilton County receives the report and
 3-54 determines that the requirements of this subchapter have been
 3-55 fulfilled, the commissioners court shall enter an order approving
 3-56 dissolution of the district and releasing the board from any
 3-57 further duty or obligation.

3-58 SECTION 9. This Act takes effect September 1, 2011.

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