

AN ACT

relating to the Swisher Memorial Hospital District.

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

SECTION 1. Section 4, Chapter 16, Acts of the 59th Legislature, Regular Session, 1965, is amended to read as follows:

Sec. 4. DISTRICT MANAGEMENT. The [~~Within ten (10) days after such election is held the Commissioners Court of said County shall convene and canvass the returns thereof and in the event such election results favorably to the proposition specified in Section 3 hereof, such~~] District shall be governed by a Board of Directors to consist of five (5) members. Each such Director must at the time of his election or appointment be a registered voter of the District [~~hereunder own property subject to taxation within the district~~] and be more than twenty-one (21) years of age. One Director shall represent the County at large, and each of the four (4) remaining Directors shall represent a Commissioner's precinct of the County, and each Director must reside in the area he represents. Directors shall be entitled to compensation at a rate to be determined by the Board, provided that in no event shall the rate of compensation exceed Ten Dollars (\$10) for each meeting of the Board of Directors. Five [~~Upon creation of the District as above provided, the Commissioners Court shall appoint five persons as Directors to serve until the first Saturday in April of the year succeeding the year of the District's creation, at which time five (5)~~] Directors

1 shall be elected. The three (3) Directors receiving the highest  
2 vote at such election shall serve for two (2) years, and the other  
3 two Directors shall serve for one (1) year. Thereafter, all  
4 Directors shall serve for a period of two years and until their  
5 successors have been duly elected or appointed and qualified. [~~All~~  
6 ~~qualified electors residing in Swisher County, Texas, and in the~~  
7 ~~Swisher Memorial Hospital District shall be eligible to vote for~~  
8 ~~all Directors. Each member of the Board of Directors shall qualify~~  
9 ~~for his office by executing the Constitutional oath of office to be~~  
10 ~~filed in the office of the District.] The Board of Directors shall  
11 organize by electing one of their number as President, one as Vice  
12 President, and one as Secretary. A [~~Any three members of the Board~~  
13 ~~shall constitute a quorum and a~~] concurrence of three Directors is  
14 [~~shall be~~] sufficient in all matters pertaining to the business of  
15 the District. The Board shall require the keeping of a true account  
16 of all their meetings and proceedings and shall preserve all  
17 contracts, records, notices, duplicate vouchers, duplicate  
18 receipts and all accounts and records of the District at its  
19 principal office where same shall be open to public inspection at  
20 all reasonable times. All vacancies in the office of Director shall  
21 be filled for the unexpired term by appointment by the remainder of  
22 the Board, however in event the number of Directors shall be reduced  
23 at any one time to less than three (3) for any reason, the remaining  
24 Directors shall immediately call a special election to fill said  
25 vacancies and upon failure to do so such vacancies may be filled by  
26 appointment of the County Judge of Swisher County. The regular  
27 election of Directors shall be held on the uniform election date in~~

1 May of [~~first Saturday in April in~~] each year and notice of such  
2 election shall be published in accordance with Section 4.003,  
3 Election Code [~~a newspaper of general circulation in Swisher County~~  
4 ~~one time at least ten (10) days prior to the date of election~~]. Any  
5 person desiring to have the person's [~~his~~] name printed on the  
6 ballot as a candidate for director shall file with the Secretary of  
7 the Board of Directors an application in accordance with Chapter  
8 144, Election Code [~~a petition signed by not less than twenty-five~~  
9 ~~(25) qualified voters to such effect, at least twenty-five (25)~~  
10 ~~days prior to the election~~].

11 SECTION 2. Chapter 16, Acts of the 59th Legislature,  
12 Regular Session, 1965, is amended by adding Sections 5A, 7B, 7C, and  
13 7D to read as follows:

14 Sec. 5A. AUTHORITY TO BORROW MONEY; SECURITY. (a) The  
15 Board of Directors may borrow money at a rate not to exceed the  
16 maximum annual percentage rate allowed by law for District  
17 obligations at the time the loan is made.

18 (b) To secure a loan, the Board may pledge:

19 (1) District revenue that is not pledged to pay the  
20 District's bonded indebtedness;

21 (2) District taxes to be imposed by the District  
22 during the 12-month period following the date of the pledge that are  
23 not pledged to pay the principal of or interest on District bonds;  
24 or

25 (3) District bonds that have been authorized but not  
26 sold.

27 (c) A loan for which taxes or bonds are pledged must mature

1 not later than the first anniversary of the date the loan is made. A  
2 loan for which District revenue is pledged must mature not later  
3 than the fifth anniversary of the date the loan is made.

4 Sec. 7B. REVENUE BONDS. (a) The Board of Directors may  
5 issue revenue bonds to:

6 (1) purchase, construct, acquire, repair, or renovate  
7 buildings or improvements;

8 (2) equip buildings or improvements for hospital  
9 purposes; or

10 (3) acquire real property for hospital purposes.

11 (b) Revenue bonds must be payable from and secured by a  
12 pledge of all or part of the revenue derived from the operation of  
13 the District's hospital system. Revenue bonds may be additionally  
14 secured by a mortgage or deed of trust on all or part of District  
15 property. Revenue bonds must be issued in the manner provided by  
16 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,  
17 Health and Safety Code, for issuance of revenue bonds by a county  
18 hospital authority.

19 Sec. 7C. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS.

20 In addition to the authority to issue general obligation bonds and  
21 revenue bonds under this Act, the Board of Directors may provide for  
22 the security and payment of District bonds from a pledge of a  
23 combination of ad valorem taxes as authorized by Section 7 of this  
24 Act and revenue and other sources as authorized by Section 7B of  
25 this Act.

26 Sec. 7D. USE OF BOND PROCEEDS. The District may use the  
27 proceeds of bonds issued under this Act to pay:

1           (1) any expense the Board determines is reasonable and  
2 necessary to issue, sell, and deliver the bonds;

3           (2) interest payments on the bonds during a period of  
4 acquisition or construction of a project or facility to be provided  
5 through the bonds, not to exceed five years;

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

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

10           (B) for one year after the project or facility is  
11 acquired or constructed;

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

14           (5) costs related to the bond issuance;

15           (6) costs related to the acquisition of land or  
16 interests in land for a project or facility to be provided through  
17 the bonds; and

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

21           SECTION 3. This Act takes effect immediately if it receives  
22 a vote of two-thirds of all the members elected to each house, as  
23 provided by Section 39, Article III, Texas Constitution. If this  
24 Act does not receive the vote necessary for immediate effect, this  
25 Act takes effect September 1, 2011.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 558 passed the Senate on March 24, 2011, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 558 passed the House on May 20, 2011, by the following vote: Yeas 149, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor