

**BILL ANALYSIS**

C.S.H.B. 2118  
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County Affairs  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties have expressed a concern that the taxpayers of the Hamlin Hospital District do not currently have the ability to petition the district's board of directors to dissolve the district. C.S.H.B. 2118 seeks to address this concern by allowing the Hamlin Hospital District taxpayers through a petition to call for a districtwide election on the dissolution of the district.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.H.B. 2118 amends the Special District Local Laws Code to authorize the dissolution of the Hamlin Hospital District subject to voter approval and establishes procedures relating to an election held for that purpose, including procedures related to the petition requesting an election, an order calling the election in accordance with Election Code provisions governing the time for ordering an election by a political subdivision, and the required notice and ballot language for such an election. The bill provides for the dissolution of the district following an election where a majority of voters favor such dissolution, including procedures relating to the administration, sale, or transfer of district assets and liabilities, as applicable; relating to the imposition of certain taxes to pay all outstanding debts and obligations of the district and the return of any surplus tax revenue to the district's taxpayers; and relating to the submission of a report to the Commissioners Court of Jones County summarizing the board's actions in dissolving the district. The bill requires the commissioners court, not later than the 10th day after the date the commissioners court receives the required report and determines that the requirements relating to dissolution of the district have been fulfilled, to enter an order dissolving the district and releasing the board from any further duty or obligation.

**EFFECTIVE DATE**

September 1, 2013.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2118 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 1037, Special District Local Laws Code, is amended by adding

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 1037, Special District Local Laws Code, is amended by adding

Subchapters G and H to read as follows:

SUBCHAPTER G. CHANGE IN BOUNDARIES

Sec. 1037.301. PETITION TO EXCLUDE TERRITORY FROM DISTRICT. (a) Registered voters of a defined territory included in the district may file a petition with the board requesting that the defined territory be excluded from the district.

(b) The petition must be signed by at least 50 registered voters of the territory or a majority of those voters, whichever is fewer.

Sec. 1037.302. ELECTION. (a) On receipt of a petition filed under Section 1037.301, the board shall order an election on the question of excluding the territory described in the petition from the district.

(b) Exclusion of the territory is final when approved by a majority of the voters at:

- (1) an election held in the district; and
- (2) a separate election held in the territory to be excluded.

(c) The election shall be held not earlier than the 45th day and not later than the 60th day after the date the election is ordered.

(d) The election order must state:

- (1) the nature of the election, including the proposition to appear on the ballot;
- (2) the date of the election;
- (3) the hours during which the polls will be open; and
- (4) the location of the polling places.

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

Sec. 1037.303. NOTICE OF ELECTION.

(a) The board shall give notice of an election under Section 1037.302 by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in:

- (1) the district; and
- (2) the territory proposed to be excluded from the district.

(b) The first publication of the notice must appear at least 35 days before the date of the election.

Sec. 1037.304. BALLOT. The ballot for an election under Section 1037.302 shall be printed to permit voting for or against the proposition: "Excluding (description of territory to be excluded) from the Hamlin Hospital District."

Subchapter G to read as follows:

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

Sec. 1037.305. SATISFACTION OF PROPORTIONATE SHARE OF DEBT. The exclusion of territory under this subchapter does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other district obligations. The district shall continue to impose taxes each year on the excluded territory at the same rate imposed on other territory in the district until the total amount of taxes collected from the excluded territory equals its pro rata share of the indebtedness of the district at the time the territory was excluded. The taxes collected under this section shall be applied only to the payment of the excluded territory's pro rata share of indebtedness. The owner of all or part of the excluded territory at any time may pay in full the owner's share of the excluded territory's pro rata share of the district's indebtedness at the time the territory was excluded.

No equivalent provision.

Sec. 1037.306. EXCLUSION ORDER. After the territory to be excluded has paid its proportionate share of the district debt, the board shall enter a resolution in its minutes excluding the territory from the district and releasing the excluded territory from any further duty or obligation.

No equivalent provision.

#### SUBCHAPTER H. DISSOLUTION

Sec. 1037.351. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the district voters voting in an election held for that purpose.

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

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 10 percent of the registered voters in the district.

(d) The order calling the election must state:

- (1) the nature of the election, including the proposition to appear on the ballot;
- (2) the date of the election;
- (3) the hours during which the polls will be open; and
- (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does

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

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 20 percent of the registered voters in the district.

(d) The election must be ordered in accordance with Section 3.005, Election Code. The order calling the election must state:

- (1) the nature of the election, including the proposition to appear on the ballot;
- (2) the date of the election;
- (3) the hours during which the polls will be open; and
- (4) the location of the polling places.

(e) Section 41.001(a), Election Code, does

not apply to an election ordered under this section.

Sec. 1037.352. NOTICE OF ELECTION.

Sec. 1037.353. BALLOT.

Sec. 1037.354. ELECTION RESULTS.

Sec. 1037.355. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

Sec. 1037.356. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

Sec. 1037.357. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

Sec. 1037.358. REPORT; DISSOLUTION ORDER.

SECTION 2. This Act takes effect September 1, 2013.

not apply to an election ordered under this section.

Sec. 1037.302. NOTICE OF ELECTION.

Sec. 1037.303. BALLOT.

Sec. 1037.304. ELECTION RESULTS.

Sec. 1037.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

Sec. 1037.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

Sec. 1037.307. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

Sec. 1037.308. REPORT; DISSOLUTION ORDER.

SECTION 2. Same as introduced version.