

BILL ANALYSIS

C.S.H.B. 3896
By: Springer
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that the law creating the Jack County Hospital District was enacted by the legislature more than two decades ago and, except for its recent codification, has not been updated or revised. The parties report that the district would like to update and amend its enabling legislation regarding its directors' elections, the provision of additional means of securing repayment of bonds, the use of bond proceeds to pay certain expenses associated with a project financed by bonds, and the dissolution of the district. C.S.H.B. 3896 seeks to address these issues.

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. 3896 amends the Special District Local Laws Code to authorize the board of directors of the Jack County Hospital District, in addition to its authority to issue general obligation bonds and revenue bonds, to provide for the security and payment of district bonds from a pledge of a combination of authorized property taxes and revenue and other sources. The bill provides for the district use of bond proceeds.

C.S.H.B. 3896 provides for the dissolution of the district on approval of a majority of the district voters voting in an election held for that purpose and sets out provisions relating to a dissolution election, including provisions regarding the order calling the election, notice of the election, ballot language, and election results. The bill provides for the winding down of the district upon voter approval of dissolution.

C.S.H.B. 3896, in provisions effective September 1, 2014, revises provisions relating to the election of district directors. The bill establishes that the directors serve staggered three-year terms beginning on the first day of the month immediately following a director's election, rather than staggered two-year terms if four-year terms are not established that begin on June 1 following a director's election. The bill removes the specification that the annual directors' election be held on the uniform election date in May. The bill sets out provisions regarding directors' elections in November of 2014, 2015, 2016, 2017, and 2018.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3896 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. Sections 1079.051(b) and (c), Special District Local Laws Code, are amended.

SECTION 2. Subchapter E, Chapter 1079, Special District Local Laws Code, is amended.

SECTION 3. Chapter 1079, Special District Local Laws Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. DISSOLUTION

Sec. 1079.301. 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 15 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 not apply to an election ordered under this section.

Sec. 1079.302. NOTICE OF ELECTION.

Sec. 1079.303. BALLOT.

Sec. 1079.304. ELECTION RESULTS.

Sec. 1079.305. TRANSFER OR ADMINISTRATION OF ASSETS.

Sec. 1079.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Chapter 1079, Special District Local Laws Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. DISSOLUTION

Sec. 1079.301. 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 15 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.

No equivalent provision.

Sec. 1079.302. NOTICE OF ELECTION.

Sec. 1079.303. BALLOT.

Sec. 1079.304. ELECTION RESULTS.

Sec. 1079.305. TRANSFER OR ADMINISTRATION OF ASSETS.

Sec. 1079.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

Sec. 1079.307. REPORT; DISSOLUTION ORDER.

SECTION 4. (a) The election of the board of directors of the Jack County Hospital District scheduled to be held in 2014 must be held in November of that year. The directors elected to places 1 and 3 at the election shall serve three-year terms. The director elected to place 5 at the election shall serve a two-year term.

(b) The election of the board of directors scheduled to be held in November 2015 must be held, and the directors elected to places 2 and 4 at that election shall serve three-year terms.

(c) The directors elected at the elections to be held in November 2016, November 2017, and November 2018 shall serve three-year terms.

SECTION 5. (a) Except as provided by Subsection (b) of this section:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

(b) Section 1079.051, Special District Local Laws Code, as amended by this Act, takes effect September 1, 2014.

Sec. 1079.307. REPORT; DISSOLUTION ORDER.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.