

By: Craddick

H.B. No. 1969

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the McCamey County Hospital District; authorizing the  
3 issuance of bonds; authorizing the imposition of a tax.

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

5 SECTION 1. Section 1058.051(b), Special District Local Laws  
6 Code, as effective April 1, 2013, is amended to read as follows:

7 (b) Directors [~~Unless four-year terms are established under~~  
8 ~~Section 285.081, Health and Safety Code, directors~~] serve staggered  
9 four-year [~~two-year~~] terms with the terms of two or three directors  
10 expiring each odd-numbered year as appropriate.

11 SECTION 2. Section 1058.052, Special District Local Laws  
12 Code, as effective April 1, 2013, is amended to read as follows:

13 Sec. 1058.052. NOTICE OF ELECTION. Notice [~~At least 30 days~~  
14 ~~before the date of a directors' election, notice~~] of an [~~the~~]  
15 election of directors must be published in accordance with Section  
16 4.003, Election Code, [~~one time~~] in a newspaper of general  
17 circulation in Upton County.

18 SECTION 3. Section 1058.053(a), Special District Local Laws  
19 Code, as effective April 1, 2013, is amended to read as follows:

20 (a) To qualify for election to the board, a person must:

- 21 (1) be at least 18 years of age;
- 22 (2) have been a resident of the district for at least  
23 two years; and
- 24 (3) be a qualified voter of the district [~~and~~

1           ~~[(4) own taxable property in the district and have~~  
2 ~~duly rendered that property for taxation].~~

3           SECTION 4. Sections 1058.059(a) and (b), Special District  
4 Local Laws Code, as effective April 1, 2013, are amended to read as  
5 follows:

6           (a) The board shall appoint a qualified person to serve  
7 ~~[general manager to be known]~~ as the district administrator.

8           (b) ~~[The district administrator must be a qualified~~  
9 ~~practitioner of medicine or be specifically trained for work of~~  
10 ~~that type.]~~ The district administrator may not be a director.

11          SECTION 5. The heading to Section 1058.106, Special  
12 District Local Laws Code, as effective April 1, 2013, is amended to  
13 read as follows:

14           Sec. 1058.106. CONSTRUCTION ~~[AWARD OF CERTAIN]~~ CONTRACTS.

15          SECTION 6. Section 1058.106(a), Special District Local Laws  
16 Code, as effective April 1, 2013, is amended to read as follows:

17           (a) The board, on behalf of the district, may enter into a  
18 construction contract that exceeds the amount provided by Section  
19 271.024, Local Government Code, [\$2,000] only after advertising in  
20 the manner provided by Subchapter B, Chapter 271, Local Government  
21 Code ~~[with the lowest qualified bidder].~~

22          SECTION 7. Section 1058.152(c), Special District Local Laws  
23 Code, as effective April 1, 2013, is amended to read as follows:

24           (c) Any district resident ~~[taxpayer]~~ is entitled to:

25               (1) appear at the time and place designated in the  
26 notice; and

27               (2) be heard regarding any item included in the

1 proposed budget.

2 SECTION 8. Section 1058.153, Special District Local Laws  
3 Code, as effective April 1, 2013, is amended to read as follows:

4 Sec. 1058.153. FISCAL YEAR. (a) The district's fiscal  
5 year begins on October 1 and ends on September 30, unless otherwise  
6 established by the board.

7 (b) The fiscal year may not be changed:

8 (1) during a period that revenue bonds of the district  
9 are outstanding; or

10 (2) more than once in a 24-month period.

11 SECTION 9. Sections 1058.156(a) and (b), Special District  
12 Local Laws Code, as effective April 1, 2013, are amended to read as  
13 follows:

14 (a) The board shall designate one or more banks [~~in the~~  
15 ~~district~~] to serve as a depository for district money.

16 (b) All district money, other than money invested in  
17 accordance with Chapter 2256, Government Code, and money  
18 transmitted to a bank for payment of bonds or obligations issued or  
19 assumed by the district, shall be immediately deposited on receipt  
20 with a depository bank[~~, except that sufficient money must be~~  
21 ~~remitted to an appropriate bank to pay the principal of and interest~~  
22 ~~on the district's outstanding bonds, or other obligations assumed~~  
23 ~~by the district, on or before the maturity date of the principal and~~  
24 ~~interest~~].

25 SECTION 10. Subchapter E, Chapter 1058, Special District  
26 Local Laws Code, as effective April 1, 2013, is amended by adding  
27 Sections 1058.206, 1058.207, 1058.208, and 1058.209 to read as

1 follows:

2 Sec. 1058.206. REVENUE BONDS. (a) The board may issue  
3 revenue bonds to:

4 (1) purchase, construct, acquire, repair, renovate,  
5 or equip buildings and improvements for hospital purposes; or

6 (2) acquire sites to be used for hospital purposes.

7 (b) The bonds must be payable from and secured by a pledge of  
8 all or part of the revenue derived from the operation of the  
9 district's hospital system, including district facilities.

10 (c) The bonds may be additionally secured by a mortgage or  
11 deed of trust lien on all or part of district property.

12 (d) The bonds must be issued in the manner and in accordance  
13 with the procedures and requirements prescribed by Sections  
14 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health  
15 and Safety Code, for issuance of revenue bonds by a county hospital  
16 authority.

17 Sec. 1058.207. REFUNDING BONDS. (a) The board may issue  
18 refunding bonds to refund outstanding indebtedness issued or  
19 assumed by the district.

20 (b) A refunding bond may be:

21 (1) sold, with the proceeds of the refunding bond  
22 applied to the payment of the indebtedness to be refunded; or

23 (2) exchanged wholly or partly for not less than a  
24 similar principal amount of outstanding indebtedness.

25 Sec. 1058.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
26 BONDS. In addition to the authority to issue general obligation  
27 bonds and revenue bonds under this subchapter, the board may

1 provide for the security and payment of district bonds from a pledge  
2 of a combination of ad valorem taxes as authorized by Section  
3 1058.202 and revenue and other sources as authorized by Section  
4 1058.206.

5 Sec. 1058.209. USE OF BOND PROCEEDS. The district may use  
6 the proceeds of bonds issued under this subchapter to pay:

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

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

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

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

16 (B) for one year after the project or facility is  
17 acquired or constructed;

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

20 (5) costs related to the bond issuance;

21 (6) costs related to the acquisition of land or  
22 interests in land for a project or facility to be provided through  
23 the bonds; and

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

27 SECTION 11. Section 1058.253, Special District Local Laws

1 Code, as effective April 1, 2013, is amended to read as follows:

2 Sec. 1058.253. ~~[ASSESSMENT AND COLLECTION BY COUNTY]~~ TAX  
3 ASSESSOR-COLLECTOR. The board may:

4 (1) appoint a tax assessor-collector for the district;  
5 or

6 (2) contract for the assessment and collection of  
7 taxes as provided by the Tax Code ~~[Unless an election is held under~~  
8 ~~Section 1058.254, the tax assessor-collector of Upton County shall~~  
9 ~~assess and collect taxes imposed by the district].~~

10 SECTION 12. Chapter 1058, Special District Local Laws Code,  
11 as effective April 1, 2013, is amended by adding Subchapter G to  
12 read as follows:

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1058.301. DISSOLUTION; ELECTION. (a) The district  
15 may be dissolved only on approval of a majority of the district  
16 voters voting in an election held for that purpose.

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

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

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

24 (1) the nature of the election, including the  
25 proposition to appear on the ballot;

26 (2) the date of the election;

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

1           (4) the location of the polling places.

2           Sec. 1058.302. NOTICE OF ELECTION. (a) The board shall  
3 give notice of an election under this subchapter by publishing once  
4 a week for two consecutive weeks a substantial copy of the election  
5 order in a newspaper with general circulation in the district.

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

8           Sec. 1058.303. BALLOT. The ballot for an election under  
9 this subchapter must be printed to permit voting for or against the  
10 proposition: "The dissolution of the McCamey County Hospital  
11 District."

12           Sec. 1058.304. ELECTION RESULTS. (a) If a majority of the  
13 votes in an election under this subchapter favor dissolution, the  
14 board shall find that the district is dissolved.

15           (b) If a majority of the votes in the election do not favor  
16 dissolution, the board shall continue to administer the district  
17 and another election on the question of dissolution may not be held  
18 before the first anniversary of the date of the most recent election  
19 on the question of dissolution.

20           Sec. 1058.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
21 If a majority of the votes in the election held under this  
22 subchapter favor dissolution, the board shall:

23           (1) transfer the land, buildings, improvements,  
24 equipment, and other assets that belong to the district to Upton  
25 County or another governmental entity in Upton County; or

26           (2) administer the property, assets, and debts until  
27 all money has been disposed of and all district debts have been paid

1 or settled.

2 (b) If the board makes the transfer under Subsection (a)(1),  
3 the county or entity assumes all debts and obligations of the  
4 district at the time of the transfer, and the district is dissolved.

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

9 Sec. 1058.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
10 TAXES. (a) After the board finds that the district is dissolved,  
11 the board shall:

- 12 (1) determine the debt owed by the district; and  
13 (2) impose on the property included in the district's  
14 tax rolls a tax that is in proportion of the debt to the property  
15 value.

16 (b) On the payment of all outstanding debts and obligations  
17 of the district, the board shall order the secretary to return to  
18 each district taxpayer the taxpayer's pro rata share of all unused  
19 tax money.

20 (c) A taxpayer may request that the taxpayer's share of  
21 surplus tax money be credited to the taxpayer's county taxes. If a  
22 taxpayer requests the credit, the board shall direct the secretary  
23 to transmit the money to the county tax assessor-collector.

24 Sec. 1058.307. REPORT; DISSOLUTION ORDER. (a) After the  
25 district has paid all district debts and has disposed of all  
26 district money and other assets as prescribed by this subchapter,  
27 the board shall file a written report with the Commissioners Court



1 of Upton County summarizing the board's actions in dissolving the  
2 district.

3 (b) Not later than the 10th day after the date the  
4 Commissioners Court of Upton County receives the report and  
5 determines that the requirements of this subchapter have been  
6 fulfilled, the commissioners court shall enter an order approving  
7 dissolution of the district and releasing the board from any  
8 further duty or obligation.

9 SECTION 13. Sections 1058.106(b), (c), (d), (e), and (f),  
10 1058.254, and 1058.255, Special District Local Laws Code, are  
11 repealed.

12 SECTION 14. (a) The election of the board of directors of  
13 the McCamey County Hospital District scheduled before the effective  
14 date of this Act to be held in May 2014 must be held, and the three  
15 directors elected at that election shall serve three-year terms.

16 (b) The election of the board of directors scheduled to be  
17 held in May 2015 must be held, and the directors elected at that  
18 election shall serve four-year terms.

19 (c) The directors elected at the elections to be held in May  
20 2017 and May 2019 shall serve four-year terms.

21 SECTION 15. This Act takes effect immediately if it  
22 receives a vote of two-thirds of all the members elected to each  
23 house, as provided by Section 39, Article III, Texas Constitution.  
24 If this Act does not receive the vote necessary for immediate  
25 effect, this Act takes effect September 1, 2013.