

By: Craddick

H.B. No. 1969

A BILL TO BE ENTITLED

AN ACT

relating to the McCamey County Hospital District; authorizing the imposition of a tax.

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

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

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

SECTION 2. Section 1058.053(a), Special District Local Laws Code, as effective April 1, 2013, is amended to read as follows:

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

- (1) be at least 18 years of age;
- (2) have been a resident of the district for at least two years; and
- (3) be a qualified voter of the district ~~[, and~~
- ~~[(4) own taxable property in the district and have duly rendered that property for taxation].~~

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

(a) The board shall appoint a qualified person to serve

1 ~~[general manager to be known]~~ as the district administrator.

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

5 SECTION 4. The heading to Section 1058.106, Special  
6 District Local Laws Code, as effective April 1, 2013, is amended to  
7 read as follows:

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

9 SECTION 5. Section 1058.106(a), Special District Local Laws  
10 Code, as effective April 1, 2013, is amended to read as follows:

11 (a) The board, on behalf of the district, may enter into a  
12 construction contract that exceeds the amount provided by Section  
13 271.024, Local Government Code, [\$2,000] only after advertising in  
14 the manner provided by Subchapter B, Chapter 271, Local Government  
15 Code ~~[with the lowest qualified bidder].~~

16 SECTION 6. Section 1058.152(c), Special District Local Laws  
17 Code, as effective April 1, 2013, is amended to read as follows:

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

19 (1) appear at the time and place designated in the  
20 notice; and

21 (2) be heard regarding any item included in the  
22 proposed budget.

23 SECTION 7. Section 1058.153, Special District Local Laws  
24 Code, as effective April 1, 2013, is amended to read as follows:

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

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

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

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

5        SECTION 8. Sections 1058.156(a) and (b), Special District  
6 Local Laws Code, as effective April 1, 2013, are amended to read as  
7 follows:

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

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

19        SECTION 9. Subchapter E, Chapter 1058, Special District  
20 Local Laws Code, as effective April 1, 2013, is amended by adding  
21 Sections 1058.206, 1058.207, 1058.208, and 1058.209 to read as  
22 follows:

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

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

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

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

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

6        (d) The bonds must be issued in the manner and in accordance  
7 with the procedures and requirements prescribed by Sections  
8 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health  
9 and Safety Code, for issuance of revenue bonds by a county hospital  
10 authority.

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

14        (b) A refunding bond may be:

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

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

19        Sec. 1058.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
20 BONDS. In addition to the authority to issue general obligation  
21 bonds and revenue bonds under this subchapter, the board may  
22 provide for the security and payment of district bonds from a pledge  
23 of a combination of ad valorem taxes as authorized by Section  
24 1058.202 and revenue and other sources as authorized by Section  
25 1058.206.

26        Sec. 1058.209. USE OF BOND PROCEEDS. The district may use  
27 the proceeds of bonds issued under this subchapter 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 10. Section 1058.253, Special District Local Laws  
22 Code, as effective April 1, 2013, is amended to read as follows:

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

25                 (1) appoint a tax assessor-collector for the district;  
26 or

27                 (2) contract for the assessment and collection of

1 taxes as provided by the Tax Code [~~Unless an election is held under~~  
2 ~~Section 1058.254, the tax assessor-collector of Upton County shall~~  
3 ~~assess and collect taxes imposed by the district~~].

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

7 SUBCHAPTER G. DISSOLUTION

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

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

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

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

18 (1) the nature of the election, including the  
19 proposition to appear on the ballot;

20 (2) the date of the election;

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

22 (4) the location of the polling places.

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

25 Sec. 1058.302. NOTICE OF ELECTION. (a) The board shall  
26 give notice of an election under this subchapter by publishing once  
27 a week for two consecutive weeks a substantial copy of the election

1 order in a newspaper with general circulation in the district.

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

4 Sec. 1058.303. BALLOT. The ballot for an election under  
5 this subchapter must be printed to permit voting for or against the  
6 proposition: "The dissolution of the McCamey County Hospital  
7 District."

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

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

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

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

22 (2) administer the property, assets, and debts until  
23 all money has been disposed of and all district debts have been paid  
24 or settled.

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

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

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

8                (1) determine the debt owed by the district; and  
9                (2) impose on the property included in the district's  
10 tax rolls a tax that is in proportion of the debt to the property  
11 value.

12        (b) On the payment of all outstanding debts and obligations  
13 of the district, the board shall order the secretary to return to  
14 each district taxpayer the taxpayer's pro rata share of all unused  
15 tax money.

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

20        Sec. 1058.307. REPORT; DISSOLUTION ORDER. (a) After the  
21 district has paid all district debts and has disposed of all  
22 district money and other assets as prescribed by this subchapter,  
23 the board shall file a written report with the Commissioners Court  
24 of Upton County summarizing the board's actions in dissolving the  
25 district.

26        (b) Not later than the 10th day after the date the  
27 Commissioners Court of Upton County receives the report and



1 determines that the requirements of this subchapter have been  
2 fulfilled, the commissioners court shall enter an order approving  
3 dissolution of the district and releasing the board from any  
4 further duty or obligation.

5         SECTION 12. Sections 1058.106(b), (c), (d), (e), and (f),  
6 1058.254, and 1058.255, Special District Local Laws Code, are  
7 repealed.

8         SECTION 13. This Act takes effect immediately if it  
9 receives a vote of two-thirds of all the members elected to each  
10 house, as provided by Section 39, Article III, Texas Constitution.  
11 If this Act does not receive the vote necessary for immediate  
12 effect, this Act takes effect September 1, 2013.