

1-1 By: Craddick (Senate Sponsor - Duncan) H.B. No. 1969  
1-2 (In the Senate - Received from the House April 22, 2013;  
1-3 April 22, 2013, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 10, 2013, reported favorably by  
1-5 the following vote: Yeas 5, Nays 0; May 10, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hinojosa	X			
1-8 Nichols	X			
1-9 Garcia	X			
1-10 Paxton	X			
1-11 Taylor	X			

1-13 A BILL TO BE ENTITLED  
1-14 AN ACT

1-15 relating to the McCamey County Hospital District; authorizing the  
1-16 issuance of bonds; authorizing the imposition of a tax.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 1058.051(b), Special District Local Laws  
1-19 Code, as effective April 1, 2013, is amended to read as follows:

1-20 (b) Directors ~~[Unless four-year terms are established under~~  
1-21 ~~Section 285.081, Health and Safety Code, directors]~~ serve staggered  
1-22 four-year ~~[two-year]~~ terms with the terms of two or three directors  
1-23 expiring each odd-numbered year as appropriate.

1-24 SECTION 2. Section 1058.052, Special District Local Laws  
1-25 Code, as effective April 1, 2013, is amended to read as follows:

1-26 Sec. 1058.052. NOTICE OF ELECTION. Notice ~~[At least 30 days~~  
1-27 ~~before the date of a directors' election, notice]~~ of an ~~[the]~~  
1-28 election of directors must be published in accordance with Section  
1-29 4.003, Election Code, [one time] in a newspaper of general  
1-30 circulation in Upton County.

1-31 SECTION 3. Section 1058.053(a), Special District Local Laws  
1-32 Code, as effective April 1, 2013, is amended to read as follows:

1-33 (a) To qualify for election to the board, a person must:

1-34 (1) be at least 18 years of age;

1-35 (2) have been a resident of the district for at least  
1-36 two years; and

1-37 (3) be a qualified voter of the district ~~[, and~~

1-38 ~~[(4) own taxable property in the district and have~~  
1-39 ~~duly rendered that property for taxation].~~

1-40 SECTION 4. Sections 1058.059(a) and (b), Special District  
1-41 Local Laws Code, as effective April 1, 2013, are amended to read as  
1-42 follows:

1-43 (a) The board shall appoint a qualified person to serve  
1-44 ~~[general manager to be known]~~ as the district administrator.

1-45 (b) ~~[The district administrator must be a qualified~~  
1-46 ~~practitioner of medicine or be specifically trained for work of~~  
1-47 ~~that type.]~~ The district administrator may not be a director.

1-48 SECTION 5. The heading to Section 1058.106, Special  
1-49 District Local Laws Code, as effective April 1, 2013, is amended to  
1-50 read as follows:

1-51 Sec. 1058.106. CONSTRUCTION ~~[AWARD OF CERTAIN]~~ CONTRACTS.

1-52 SECTION 6. Section 1058.106(a), Special District Local Laws  
1-53 Code, as effective April 1, 2013, is amended to read as follows:

1-54 (a) The board, on behalf of the district, may enter into a  
1-55 construction contract that exceeds the amount provided by Section  
1-56 271.024, Local Government Code, [\$2,000] only after advertising in  
1-57 the manner provided by Subchapter B, Chapter 271, Local Government  
1-58 Code [with the lowest qualified bidder].

1-59 SECTION 7. Section 1058.152(c), Special District Local Laws  
1-60 Code, as effective April 1, 2013, is amended to read as follows:

1-61 (c) Any district resident ~~[taxpayer]~~ is entitled to:

(1) appear at the time and place designated in the notice; and  
(2) be heard regarding any item included in the proposed budget.

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

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

(b) The fiscal year may not be changed:

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) A refunding bond may be:

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

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

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

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

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

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

(3) costs related to the operation and maintenance of

a project or facility to be provided through the bonds:

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

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

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

(5) costs related to the bond issuance;

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

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

SECTION 11. Section 1058.253, Special District Local Laws Code, as effective April 1, 2013, is amended to read as follows:

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

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

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

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

#### SUBCHAPTER G. DISSOLUTION

Sec. 1058.301. 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.

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

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

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

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

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

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

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

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

or settled.

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

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

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

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

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

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

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

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

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

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

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

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

SECTION 15. 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. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

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