

1 AN ACT

2 relating to the Knox County Hospital District; authorizing the
3 imposition of a tax.

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

5 SECTION 1. Section 1050.051, Special District Local Laws
6 Code, is amended by amending Subsection (c) and adding Subsection
7 (d) to read as follows:

8 (c) The Commissioners Court of Knox County shall appoint two
9 successor directors on or before the date on which directors are
10 elected [~~first Saturday in April of~~] each year.

11 (d) An election shall be held each year on the May uniform
12 election date under Section 41.001, Election Code, to elect the
13 appropriate number of at-large directors.

14 SECTION 2. Section 1050.052, Special District Local Laws
15 Code, is amended to read as follows:

16 Sec. 1050.052. NOTICE OF ELECTION. Notice [~~At least 10 days~~
17 ~~before the date of an election of directors, notice~~] of an [~~the~~]
18 election of directors shall be published in accordance with Section
19 4.003, Election Code, [~~one time~~] in a newspaper of general
20 circulation in Knox County.

21 SECTION 3. Section 1050.053, Special District Local Laws
22 Code, is amended to read as follows:

23 Sec. 1050.053. BALLOT APPLICATION [~~PETITION~~]. A person who
24 wants to have the person's name printed on the ballot as a candidate

1 for elected director must file with the board secretary an
2 application in accordance with Chapter 144, Election Code [~~a~~
3 ~~petition requesting that action. The petition must:~~

4 [~~(1) be signed by at least 25 registered district~~
5 ~~voters; and~~

6 [~~(2) be filed at least 25 days before the date of the~~
7 ~~election~~].

8 SECTION 4. Section 1050.054(a), Special District Local Laws
9 Code, is amended to read as follows:

10 (a) A person is not qualified for appointment or election as
11 a director unless the person:

12 (1) is a district resident; and

13 (2) [~~owns land subject to taxation by the district;~~
14 ~~and~~

15 [~~(3)~~] is at least 18 years of age at the time of the
16 appointment or election.

17 SECTION 5. Section 1050.058, Special District Local Laws
18 Code, is amended to read as follows:

19 Sec. 1050.058. OFFICERS. The board shall elect from among
20 its members a president, a vice president, and a secretary.

21 SECTION 6. Section 1050.152(c), Special District Local Laws
22 Code, is amended to read as follows:

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

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

26 (2) be heard regarding any item included in the
27 proposed budget.

1 SECTION 7. Section 1050.153, Special District Local Laws
2 Code, is amended to read as follows:

3 Sec. 1050.153. FISCAL YEAR. (a) The [~~district operates on~~
4 ~~a~~] fiscal year [~~that~~] begins on October 1 and ends on September 30,
5 unless otherwise established by the board.

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

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

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

10 SECTION 8. The heading to Section 1050.155, Special
11 District Local Laws Code, is amended to read as follows:

12 Sec. 1050.155. DEPOSITORY [~~OR TREASURER~~].

13 SECTION 9. Sections 1050.155(a) and (b), Special District
14 Local Laws Code, are amended to read as follows:

15 (a) The board by resolution shall designate a bank [~~in Knox~~
16 ~~County~~] as the district's depository [~~or treasurer~~]. A designated
17 bank serves for two years until a successor is designated.

18 (b) District money, other than money invested in accordance
19 with Chapter 2256, Government Code, and money transmitted to a bank
20 for payment of bonds or obligations issued by the district, [All
21 ~~income received by the district]~~ shall be deposited with the
22 district depository.

23 SECTION 10. Subchapter E, Chapter 1050, Special District
24 Local Laws Code, is amended by adding Sections 1050.206, 1050.207,
25 1050.208, and 1050.209 to read as follows:

26 Sec. 1050.206. REVENUE BONDS. (a) The board may issue
27 revenue bonds to:

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

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

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

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

9 (d) The bonds must be issued in the manner and in accordance
10 with the procedures and requirements prescribed by Sections
11 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
12 and Safety Code, for issuance of revenue bonds by county hospital
13 authorities.

14 Sec. 1050.207. REFUNDING BONDS. (a) The board may issue
15 refunding bonds to refund outstanding indebtedness issued or
16 assumed by the district.

17 (b) A refunding bond may be:

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

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

22 Sec. 1050.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF
23 BONDS. In addition to the authority to issue general obligation
24 bonds and revenue bonds under this subchapter, the board may
25 provide for the security and payment of district bonds from a pledge
26 of a combination of ad valorem taxes as authorized by Section
27 1050.202 and revenue and other sources authorized by Section

1 1050.206.

2 Sec. 1050.209. USE OF BOND PROCEEDS. The district may use
3 the proceeds of bonds issued under this subchapter to pay:

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

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

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

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

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

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

17 (5) costs related to the bond issuance;

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

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

24 SECTION 11. Section 1050.254, Special District Local Laws
25 Code, is amended to read as follows:

26 Sec. 1050.254. TAX ASSESSOR-COLLECTOR. The board may:

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

1 or

2 (2) contract for the assessment and collection of
3 taxes as provided by the Tax Code. [The tax assessor-collector of
4 Knox County shall assess and collect taxes imposed by the
5 district.]

6 SECTION 12. Chapter 1050, Special District Local Laws Code,
7 is amended by adding Subchapter G to read as follows:

8 SUBCHAPTER G. DISSOLUTION

9 Sec. 1050.301. DISSOLUTION; ELECTION. (a) The district
10 may be dissolved only on approval of a majority of the district
11 voters voting in an election held for that purpose.

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

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

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

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

21 (2) the date of the election;

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

23 (4) the location of the polling places.

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

26 Sec. 1050.302. NOTICE OF ELECTION. (a) The board shall
27 give notice of an election under this subchapter by publishing once

1 a week for two consecutive weeks a substantial copy of the election
2 order in a newspaper with general circulation in the district.

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

5 Sec. 1050.303. BALLOT. The ballot for an election under
6 this subchapter must be printed to permit voting for or against the
7 proposition: "The dissolution of the Knox County Hospital
8 District."

9 Sec. 1050.304. ELECTION RESULTS. (a) If a majority of the
10 votes in an election under this subchapter favor dissolution, the
11 board shall find that the district is dissolved.

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

17 Sec. 1050.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
18 If a majority of the votes in an election held under this subchapter
19 favor dissolution, the board shall:

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

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

26 (b) If the board makes the transfer under Subsection (a)(1),
27 the county or entity assumes all debts and obligations of the

1 district at the time of the transfer, and the district is dissolved.

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

6 Sec. 1050.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
7 TAXES. (a) After the board finds that the district is dissolved,
8 the board shall:

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

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

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

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

21 Sec. 1050.307. REPORT; DISSOLUTION ORDER. (a) After the
22 district has paid all district debts and has disposed of all
23 district money and other assets as prescribed by this subchapter,
24 the board shall file a written report with the Commissioners Court
25 of Knox County summarizing the board's actions in dissolving the
26 district.

27 (b) Not later than the 10th day after the date the

1 Commissioners Court of Knox County receives the report and
2 determines that the requirements of this subchapter have been
3 fulfilled, the commissioners court shall enter an order dissolving
4 the district and releasing the board from any further duty or
5 obligation.

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

President of the Senate

Speaker of the House

I certify that H.B. No. 2907 was passed by the House on May 8, 2013, by the following vote: Yeas 147, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2907 was passed by the Senate on May 22, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor