

1-1 By: Frank (Senate Sponsor - Duncan) H.B. No. 2907
1-2 (In the Senate - Received from the House May 9, 2013;
1-3 May 9, 2013, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 16, 2013, reported favorably by
1-5 the following vote: Yeas 4, Nays 0; May 16, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9			X	
1-10	X			
1-11	X			
1-12	X			

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

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

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

1-18 SECTION 1. Section 1050.051, Special District Local Laws
1-19 Code, is amended by amending Subsection (c) and adding Subsection
1-20 (d) to read as follows:

1-21 (c) The Commissioners Court of Knox County shall appoint two
1-22 successor directors on or before the date on which directors are
1-23 elected ~~[first Saturday in April of]~~ each year.

1-24 (d) An election shall be held each year on the May uniform
1-25 election date under Section 41.001, Election Code, to elect the
1-26 appropriate number of at-large directors.

1-27 SECTION 2. Section 1050.052, Special District Local Laws
1-28 Code, is amended to read as follows:

1-29 Sec. 1050.052. NOTICE OF ELECTION. Notice ~~[At least 10 days~~
1-30 ~~before the date of an election of directors, notice]~~ of an ~~[the]~~
1-31 election of directors shall be published in accordance with Section
1-32 4.003, Election Code, [one time] in a newspaper of general
1-33 circulation in Knox County.

1-34 SECTION 3. Section 1050.053, Special District Local Laws
1-35 Code, is amended to read as follows:

1-36 Sec. 1050.053. BALLOT APPLICATION ~~[PETITION]~~. A person who
1-37 wants to have the person's name printed on the ballot as a candidate
1-38 for elected director must file with the board secretary an
1-39 application in accordance with Chapter 144, Election Code ~~[a~~
1-40 ~~petition requesting that action. The petition must:~~

1-41 ~~[(1) be signed by at least 25 registered district~~
1-42 ~~voters, and~~

1-43 ~~[(2) be filed at least 25 days before the date of the~~
1-44 ~~election].~~

1-45 SECTION 4. Section 1050.054(a), Special District Local Laws
1-46 Code, is amended to read as follows:

1-47 (a) A person is not qualified for appointment or election as
1-48 a director unless the person:

1-49 (1) is a district resident; and

1-50 (2) ~~[owns land subject to taxation by the district,~~
1-51 ~~and~~

1-52 ~~[(3)]~~ is at least 18 years of age at the time of the
1-53 appointment or election.

1-54 SECTION 5. Section 1050.058, Special District Local Laws
1-55 Code, is amended to read as follows:

1-56 Sec. 1050.058. OFFICERS. The board shall elect from among
1-57 its members a president, a vice president, and a secretary.

1-58 SECTION 6. Section 1050.152(c), Special District Local Laws
1-59 Code, is amended to read as follows:

1-60 (c) Any district resident ~~[taxpayer]~~ is entitled to:

1-61 (1) appear at the time and place designated in the

2-1 notice; and

2-2 (2) be heard regarding any item included in the
2-3 proposed budget.

2-4 SECTION 7. Section 1050.153, Special District Local Laws
2-5 Code, is amended to read as follows:

2-6 Sec. 1050.153. FISCAL YEAR. (a) The ~~district operates on~~
2-7 a] fiscal year ~~[that]~~ begins on October 1 and ends on September 30,
2-8 unless otherwise established by the board.

2-9 (b) The fiscal year may not be changed:

2-10 (1) during a period that revenue bonds of the district
2-11 are outstanding; or

2-12 (2) more than once in a 24-month period.

2-13 SECTION 8. The heading to Section 1050.155, Special
2-14 District Local Laws Code, is amended to read as follows:

2-15 Sec. 1050.155. DEPOSITORY ~~[OR TREASURER]~~.

2-16 SECTION 9. Sections 1050.155(a) and (b), Special District
2-17 Local Laws Code, are amended to read as follows:

2-18 (a) The board by resolution shall designate a bank ~~[in Knox~~
2-19 ~~County]~~ as the district's depository ~~[or treasurer]~~. A designated
2-20 bank serves for two years until a successor is designated.

2-21 (b) District money, other than money invested in accordance
2-22 with Chapter 2256, Government Code, and money transmitted to a bank
2-23 for payment of bonds or obligations issued by the district, ~~[All~~
2-24 income received by the district] shall be deposited with the
2-25 district depository.

2-26 SECTION 10. Subchapter E, Chapter 1050, Special District
2-27 Local Laws Code, is amended by adding Sections 1050.206, 1050.207,
2-28 1050.208, and 1050.209 to read as follows:

2-29 Sec. 1050.206. REVENUE BONDS. (a) The board may issue
2-30 revenue bonds to:

2-31 (1) acquire, purchase, construct, repair, renovate,
2-32 or equip buildings or improvements for hospital purposes; or

2-33 (2) acquire sites to be used for hospital purposes.

2-34 (b) The bonds must be payable from and secured by a pledge of
2-35 all or part of the revenues derived from the operation of the
2-36 district's hospital system, including district facilities.

2-37 (c) The bonds may be additionally secured by a mortgage or
2-38 deed of trust lien on all or part of the district property.

2-39 (d) The bonds must be issued in the manner and in accordance
2-40 with the procedures and requirements prescribed by Sections
2-41 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
2-42 and Safety Code, for issuance of revenue bonds by county hospital
2-43 authorities.

2-44 Sec. 1050.207. REFUNDING BONDS. (a) The board may issue
2-45 refunding bonds to refund outstanding indebtedness issued or
2-46 assumed by the district.

2-47 (b) A refunding bond may be:

2-48 (1) sold, with the proceeds of the refunding bond
2-49 applied to the payment of the indebtedness to be refunded; or

2-50 (2) exchanged wholly or partly for not less than a
2-51 similar principal amount of outstanding indebtedness.

2-52 Sec. 1050.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF
2-53 BONDS. In addition to the authority to issue general obligation
2-54 bonds and revenue bonds under this subchapter, the board may
2-55 provide for the security and payment of district bonds from a pledge
2-56 of a combination of ad valorem taxes as authorized by Section
2-57 1050.202 and revenue and other sources authorized by Section
2-58 1050.206.

2-59 Sec. 1050.209. USE OF BOND PROCEEDS. The district may use
2-60 the proceeds of bonds issued under this subchapter to pay:

2-61 (1) any expense the board determines is reasonable and
2-62 necessary to issue, sell, and deliver the bonds;

2-63 (2) interest payments on the bonds during a period of
2-64 acquisition or construction of a project or facility to be provided
2-65 through the bonds, not to exceed five years;

2-66 (3) costs related to the operation and maintenance of
2-67 a project or facility to be provided through the bonds:

2-68 (A) during an estimated period of acquisition or
2-69 construction, not to exceed five years; and

- 3-1 (B) for one year after the project or facility is
- 3-2 acquired or constructed;
- 3-3 (4) costs related to the financing of the bond funds,
- 3-4 including debt service reserve and contingency funds;
- 3-5 (5) costs related to the bond issuance;
- 3-6 (6) costs related to the acquisition of land or
- 3-7 interests in land for a project or facility to be provided through
- 3-8 the bonds; and
- 3-9 (7) costs of construction of a project or facility to
- 3-10 be provided through the bonds, including the payment of related
- 3-11 professional services and expenses.

3-12 SECTION 11. Section 1050.254, Special District Local Laws

3-13 Code, is amended to read as follows:

3-14 Sec. 1050.254. TAX ASSESSOR-COLLECTOR. The board may:

3-15 (1) appoint a tax assessor-collector for the district;

3-16 or

3-17 (2) contract for the assessment and collection of

3-18 taxes as provided by the Tax Code. [~~The tax assessor-collector of~~

3-19 Knox County shall assess and collect taxes imposed by the

3-20 district.]

3-21 SECTION 12. Chapter 1050, Special District Local Laws Code,

3-22 is amended by adding Subchapter G to read as follows:

3-23 SUBCHAPTER G. DISSOLUTION

3-24 Sec. 1050.301. DISSOLUTION; ELECTION. (a) The district

3-25 may be dissolved only on approval of a majority of the district

3-26 voters voting in an election held for that purpose.

3-27 (b) The board may order an election on the question of

3-28 dissolving the district and disposing of the district's assets and

3-29 obligations.

3-30 (c) The board shall order an election if the board receives

3-31 a petition requesting an election that is signed by at least 15

3-32 percent of the registered voters in the district.

3-33 (d) The order calling the election must state:

3-34 (1) the nature of the election, including the

3-35 proposition to appear on the ballot;

3-36 (2) the date of the election;

3-37 (3) the hours during which the polls will be open; and

3-38 (4) the location of the polling places.

3-39 (e) Section 41.001(a), Election Code, does not apply to an

3-40 election ordered under this section.

3-41 Sec. 1050.302. NOTICE OF ELECTION. (a) The board shall

3-42 give notice of an election under this subchapter by publishing once

3-43 a week for two consecutive weeks a substantial copy of the election

3-44 order in a newspaper with general circulation in the district.

3-45 (b) The first publication of the notice must appear not

3-46 later than the 35th day before the date set for the election.

3-47 Sec. 1050.303. BALLOT. The ballot for an election under

3-48 this subchapter must be printed to permit voting for or against the

3-49 proposition: "The dissolution of the Knox County Hospital

3-50 District."

3-51 Sec. 1050.304. ELECTION RESULTS. (a) If a majority of the

3-52 votes in an election under this subchapter favor dissolution, the

3-53 board shall find that the district is dissolved.

3-54 (b) If a majority of the votes in the election do not favor

3-55 dissolution, the board shall continue to administer the district

3-56 and another election on the question of dissolution may not be held

3-57 before the first anniversary of the date of the most recent election

3-58 to dissolve the district.

3-59 Sec. 1050.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)

3-60 If a majority of the votes in an election held under this subchapter

3-61 favor dissolution, the board shall:

3-62 (1) transfer the land, buildings, improvements,

3-63 equipment, and other assets that belong to the district to Knox

3-64 County or another governmental entity in Knox County; or

3-65 (2) administer the property, assets, and debts until

3-66 all money has been disposed of and all district debts have been paid

3-67 or settled.

3-68 (b) If the board makes the transfer under Subsection (a)(1),

3-69 the county or entity assumes all debts and obligations of the

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

4-6 Sec. 1050.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
4-7 TAXES. (a) After the board finds that the district is dissolved,
4-8 the board shall:

4-9 (1) determine the debt owed by the district; and
4-10 (2) impose on the property included in the district's
4-11 tax rolls a tax that is in proportion of the debt to the property
4-12 value.

4-13 (b) On the payment of all outstanding debts and obligations
4-14 of the district, the board shall order the secretary to return to
4-15 each district taxpayer the taxpayer's pro rata share of all unused
4-16 tax money.

4-17 (c) A taxpayer may request that the taxpayer's share of
4-18 surplus tax money be credited to the taxpayer's county taxes. If a
4-19 taxpayer requests the credit, the board shall direct the secretary
4-20 to transmit the money to the county tax assessor-collector.

4-21 Sec. 1050.307. REPORT; DISSOLUTION ORDER. (a) After the
4-22 district has paid all district debts and has disposed of all
4-23 district money and other assets as prescribed by this subchapter,
4-24 the board shall file a written report with the Commissioners Court
4-25 of Knox County summarizing the board's actions in dissolving the
4-26 district.

4-27 (b) Not later than the 10th day after the date the
4-28 Commissioners Court of Knox County receives the report and
4-29 determines that the requirements of this subchapter have been
4-30 fulfilled, the commissioners court shall enter an order dissolving
4-31 the district and releasing the board from any further duty or
4-32 obligation.

4-33 SECTION 13. This Act takes effect immediately if it
4-34 receives a vote of two-thirds of all the members elected to each
4-35 house, as provided by Section 39, Article III, Texas Constitution.
4-36 If this Act does not receive the vote necessary for immediate
4-37 effect, this Act takes effect September 1, 2013.

4-38 * * * * *