

AN ACT

relating to powers, duties, and services of entities serving counties and county residents.

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

SECTION 1. Section 21.054, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board shall adopt rules that allow an educator to fulfill up to 12 hours of continuing education by participating in a mental health first aid training program offered by a local mental health authority under Section 1001.203, Health and Safety Code. The number of hours of continuing education an educator may fulfill under this subsection may not exceed the number of hours the educator actually spends participating in a mental health first aid training program.

SECTION 2. Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional,

1 behavioral, or mental disturbance not described by Subsection (a)  
2 and adults with severe mental illness who are experiencing  
3 significant functional impairment due to a mental health disorder  
4 not described by Subsection (a) that is defined by the Diagnostic  
5 and Statistical Manual of Mental Disorders, 5th Edition (DSM-5),  
6 including:

7           (1) major depressive disorder, including single  
8 episode or recurrent major depressive disorder;

9           (2) post-traumatic stress disorder;

10           (3) schizoaffective disorder, including bipolar and  
11 depressive types;

12           (4) obsessive compulsive disorder;

13           (5) anxiety disorder;

14           (6) attention deficit disorder;

15           (7) delusional disorder;

16           (8) bulimia nervosa, anorexia nervosa, or other eating  
17 disorders not otherwise specified; or

18           (9) any other diagnosed mental health disorder.

19           (a-2) The local mental health authority shall ensure that  
20 individuals described by Subsection (a-1) are engaged with  
21 treatment services in a clinically appropriate manner.

22           (b-1) The department shall require each local mental health  
23 authority to incorporate jail diversion strategies into the  
24 authority's disease management practices to reduce the involvement  
25 of the criminal justice system in managing adults with the  
26 following disorders as defined by the Diagnostic and Statistical  
27 Manual of Mental Disorders, 5th Edition (DSM-5), who are not

1 described by Subsection (b):

2 (1) post-traumatic stress disorder;

3 (2) schizoaffective disorder, including bipolar and  
4 depressive types;

5 (3) anxiety disorder; or

6 (4) delusional disorder.

7 SECTION 3. Subchapter B, Chapter 533, Health and Safety  
8 Code, is amended by adding Sections 533.051, 533.052, and 533.053  
9 to read as follows:

10 Sec. 533.051. ALLOCATION OF OUTPATIENT MENTAL HEALTH  
11 SERVICES AND BEDS IN STATE HOSPITALS. (a) To ensure the  
12 appropriate and timely provision of mental health services to  
13 patients who voluntarily receive those services or who are ordered  
14 by a court to receive those services in civil or criminal  
15 proceedings, the department, in conjunction with the commission,  
16 shall plan for the proper and separate allocation of outpatient or  
17 community-based mental health services provided by secure and  
18 nonsecure outpatient facilities that provide residential care  
19 alternatives and mental health services and for the proper and  
20 separate allocation of beds in the state hospitals for the  
21 following two groups of patients:

22 (1) patients who are voluntarily receiving outpatient  
23 or community-based mental health services, voluntarily admitted to  
24 a state hospital under Chapter 572, admitted to a state hospital for  
25 emergency detention under Chapter 573, or ordered by a court under  
26 Chapter 574 to receive inpatient mental health services at a state  
27 hospital or outpatient mental health services from an outpatient

1 facility that provides residential care alternatives and mental  
2 health services; and

3 (2) patients who are ordered to participate in an  
4 outpatient treatment program to attain competency to stand trial  
5 under Chapter 46B, Code of Criminal Procedure, or committed to a  
6 state hospital or other facility to attain competency to stand  
7 trial under Chapter 46B, Code of Criminal Procedure, or to receive  
8 inpatient mental health services following an acquittal by reason  
9 of insanity under Chapter 46C, Code of Criminal Procedure.

10 (b) The plan developed by the department under Subsection  
11 (a) must include:

12 (1) a determination of the needs for outpatient mental  
13 health services of the two groups of patients described by  
14 Subsection (a);

15 (2) a determination of the minimum number of beds that  
16 the state hospital system must maintain to adequately serve the two  
17 groups of patients;

18 (3) a statewide plan for and the allocation of  
19 sufficient funds for meeting the outpatient mental health service  
20 needs of and for the maintenance of beds by the state hospitals for  
21 the two groups of patients; and

22 (4) a process to address and develop, without adverse  
23 impact to local service areas, the accessibility and availability  
24 of sufficient outpatient mental health services provided to and  
25 beds provided by the state hospitals to the two groups of patients  
26 based on the success of contractual outcomes with mental health  
27 service providers and facilities under Sections 533.034 and

1 533.052.

2 (c) To assist in the development of the plan under  
3 Subsection (a), the department shall establish and meet at least  
4 monthly with an advisory panel composed of the following persons:

5 (1) one representative designated by the Texas  
6 Department of Criminal Justice;

7 (2) one representative designated by the Texas  
8 Association of Counties;

9 (3) two representatives designated by the Texas  
10 Council of Community Centers, including one representative of an  
11 urban local service area and one representative of a rural local  
12 service area;

13 (4) two representatives designated by the County  
14 Judges and Commissioners Association of Texas, including one  
15 representative who is the presiding judge of a court with  
16 jurisdiction over mental health matters;

17 (5) one representative designated by the Sheriffs'  
18 Association of Texas;

19 (6) two representatives designated by the Texas  
20 Municipal League, including one representative who is a municipal  
21 law enforcement official;

22 (7) one representative designated by the Texas  
23 Conference of Urban Counties;

24 (8) two representatives designated by the Texas  
25 Hospital Association, including one representative who is a  
26 physician;

27 (9) one representative designated by the Texas

1 Catalyst for Empowerment; and

2 (10) four representatives designated by the  
3 Department of State Health Services' Council for Advising and  
4 Planning for the Prevention and Treatment of Mental and Substance  
5 Use Disorders, including:

6 (A) the chair of the council;

7 (B) one representative of the council's members  
8 who is a consumer of or advocate for mental health services;

9 (C) one representative of the council's members  
10 who is a consumer of or advocate for substance abuse treatment; and

11 (D) one representative of the council's members  
12 who is a family member of or advocate for persons with mental health  
13 and substance abuse disorders.

14 (d) In developing the plan under Subsection (a), the  
15 department and advisory panel shall consider:

16 (1) needs for outpatient mental health services of the  
17 two groups of patients described by Subsection (a);

18 (2) the frequency of use of beds and the historical  
19 patterns of use of beds in the state hospitals and other facilities  
20 by the two groups of patients;

21 (3) local needs and demands for outpatient mental  
22 health services by the two groups of patients;

23 (4) local needs and demands for beds in the state  
24 hospitals and other facilities for the two groups of patients;

25 (5) the availability of outpatient mental health  
26 service providers and inpatient mental health facilities that may  
27 be contracted with to provide outpatient mental health services and

1 beds for the two groups of patients;

2 (6) the differences between the two groups of patients  
3 with regard to:

4 (A) admission to and discharge from a state  
5 hospital or outpatient facility;

6 (B) rapid stabilization and discharge to the  
7 community;

8 (C) length of stay in a state hospital or  
9 outpatient facility;

10 (D) disputes arising from the determination of a  
11 patient's length of stay in a state hospital by a health maintenance  
12 organization or a managed care organization;

13 (E) third-party billing; and

14 (F) legal challenges or requirements related to  
15 the examination and treatment of the patients; and

16 (7) public input provided to the department or  
17 advisory panel in a form and at a time and place that is effective  
18 and appropriate and in a manner that complies with any applicable  
19 laws, including administrative rules.

20 (e) The department shall update the plan biennially.

21 (f) Not later than December 31, 2013, the department, in  
22 conjunction with the advisory panel, shall develop the initial  
23 version of the plan required by Subsection (a).

24 (g) Not later than August 31, 2014, the department shall:

25 (1) identify standards and methodologies for the  
26 implementation of the plan required by Subsection (a); and

27 (2) begin implementing the plan.

1       (h) Not later than December 1, 2014, the department shall  
2 submit a report to the legislature and governor that includes the  
3 initial version of the plan, the status of the plan's  
4 implementation, and the impact of the plan on the delivery of  
5 services.

6       (i) While the plan required by Subsection (a) is being  
7 developed and implemented, the department may not, pursuant to any  
8 rule, contract, or directive, impose a sanction, penalty, or fine  
9 on a local mental health authority for the authority's  
10 noncompliance with any methodology or standard adopted or applied  
11 by the department relating to the allocation of beds by authorities  
12 for the two groups of patients described by Subsection (a).

13       Sec. 533.052. CONTRACTING WITH CERTAIN MENTAL HEALTH  
14 SERVICE PROVIDERS AND FACILITIES TO PROVIDE SERVICES AND BEDS FOR  
15 CERTAIN PERSONS. The department shall make every effort, through  
16 collaboration and contractual arrangements with local mental  
17 health authorities, to contract with and use a broad base of local  
18 community outpatient mental health service providers and inpatient  
19 mental health facilities, as appropriate, to make available a  
20 sufficient and appropriately located amount of outpatient mental  
21 health services and a sufficient and appropriately located number  
22 of beds in inpatient mental health facilities, as specified in the  
23 plan developed by the department under Section 533.051, to ensure  
24 the appropriate and timely provision of mental health services to  
25 the two groups of patients described by Section 533.051(a).

26       Sec. 533.053. INFORMING COURTS OF COMMITMENT OPTIONS. The  
27 department shall develop and implement a procedure through which a



1 court that has the authority to commit a person who is incompetent  
2 to stand trial or who has been acquitted by reason of insanity under  
3 Chapters 46B and 46C, Code of Criminal Procedure, is aware of all of  
4 the commitment options for the person, including jail diversion and  
5 community-based programs.

6 SECTION 4. Chapter 1001, Health and Safety Code, is amended  
7 by adding Subchapter H to read as follows:

8 SUBCHAPTER H. MENTAL HEALTH FIRST AID TRAINING

9 Sec. 1001.201. DEFINITIONS. In this subchapter:

10 (1) "Educator" means a person who is required to hold a  
11 certificate issued under Subchapter B, Chapter 21, Education Code.

12 (2) "Local mental health authority" has the meaning  
13 assigned by Section 531.002 and includes the local behavioral  
14 health authority for the NorthSTAR Behavioral Health Program.

15 (3) "Regional education service center" means a  
16 regional education service center established under Chapter 8,  
17 Education Code.

18 Sec. 1001.202. GRANTS FOR TRAINING OF MENTAL HEALTH FIRST  
19 AID TRAINERS. (a) To the extent funds are appropriated to the  
20 department for that purpose, the department shall make grants to  
21 local mental health authorities to contract with persons approved  
22 by the department to train employees or contractors of the  
23 authorities as mental health first aid trainers.

24 (b) Except as provided by Subsection (c), the department  
25 shall make each grant to a local mental health authority under this  
26 section in an amount equal to \$1,000 times the number of employees  
27 or contractors of the authority whose training as mental health

1 first aid trainers will be paid by the grant.

2 (c) For each state fiscal year, the total amount the  
3 department may grant to a local mental health authority under this  
4 section may not exceed the lesser of \$30,000 or three percent of the  
5 funds appropriated to the department for making grants under this  
6 section.

7 (d) The executive commissioner shall adopt rules to  
8 establish the requirements for a person to be approved by the  
9 department to train employees or contractors of a local mental  
10 health authority as mental health first aid trainers. The rules  
11 must ensure that a person who is approved by the department is  
12 qualified to provide training in:

13 (1) the potential risk factors and warning signs for  
14 various mental illnesses, including depression, anxiety, trauma,  
15 psychosis, eating disorders, substance abuse disorders, and  
16 self-injury;

17 (2) the prevalence of various mental illnesses in the  
18 United States and the need to reduce the stigma associated with  
19 mental illness;

20 (3) an action plan for use by the employees or  
21 contractors that involves the use of skills, resources, and  
22 knowledge to assess a situation and develop and implement an  
23 appropriate intervention to help an individual experiencing a  
24 mental health crisis obtain appropriate professional care; and

25 (4) the evidence-based professional, peer, social,  
26 and self-help resources available to help individuals with mental  
27 illness.

1 (e) Two or more local mental health authorities may  
2 collaborate and share resources to provide training for employees  
3 or contractors of the authorities under this section.

4 Sec. 1001.203. GRANTS FOR TRAINING CERTAIN EDUCATORS IN  
5 MENTAL HEALTH FIRST AID. (a) To the extent funds are appropriated  
6 to the department for that purpose, the department shall make  
7 grants to local mental health authorities to provide an approved  
8 mental health first aid training program, administered by mental  
9 health first aid trainers, at no cost to educators.

10 (b) For each state fiscal year, the total amount the  
11 department may grant to a local mental health authority under this  
12 section may not exceed the lesser of \$40,000 or three percent of the  
13 funds appropriated to the department for making grants under this  
14 section.

15 (c) Subject to the limit provided by Subsection (b), out of  
16 the funds appropriated to the department for making grants under  
17 this section, the department shall grant \$100 to a local mental  
18 health authority for each educator who successfully completes a  
19 mental health first aid training program provided by the authority  
20 under this section.

21 (d) A mental health first aid training program provided by a  
22 local mental health authority under this section must:

23 (1) be conducted by a person trained as a mental health  
24 first aid trainer;

25 (2) provide participants with the skills necessary to  
26 help an individual experiencing a mental health crisis until the  
27 individual is able to obtain appropriate professional care; and

1           (3) include:

2                   (A) instruction in a five-step strategy for  
3 helping an individual experiencing a mental health crisis,  
4 including assessing risk, listening respectfully to and supporting  
5 the individual, and identifying professional help and other  
6 supports for the individual;

7                   (B) an introduction to the risk factors and  
8 warning signs for mental illness and substance abuse problems;

9                   (C) experiential activities to increase  
10 participants' understanding of the impact of mental illness on  
11 individuals and families; and

12                   (D) a presentation of evidence-supported  
13 treatment and self-help strategies.

14           (e) A local mental health authority may contract with a  
15 regional education service center to provide a mental health first  
16 aid training program to educators under this section.

17           (f) Two or more local mental health authorities may  
18 collaborate and share resources to develop and operate a mental  
19 health first aid training program under this section.

20           Sec. 1001.204. PLANS FOR MENTAL HEALTH FIRST AID TRAINING  
21 PROGRAMS. (a) Not later than October 1 of each state fiscal year  
22 for which a local mental health authority will seek a grant from the  
23 department under Section 1001.203, the authority shall submit to  
24 the department a plan demonstrating the manner in which grants made  
25 to the authority under that section will be used:

26                   (1) to train individuals in mental health first aid  
27 throughout the authority's local service area to maximize the

1 number of children who have direct contact with an individual who  
2 has successfully completed a mental health first aid training  
3 program provided by the authority;

4 (2) to meet the greatest needs of the authority's local  
5 service area, as identified by the authority; and

6 (3) to complement existing resources and not duplicate  
7 established mental health first aid training efforts.

8 (b) The department may not make a grant to a local mental  
9 health authority under Section 1001.203 unless the department has  
10 evaluated a plan submitted by the authority under this section.

11 Sec. 1001.205. REPORTS. (a) Not later than July 1 of each  
12 year, a local mental health authority shall provide to the  
13 department the number of:

14 (1) employees and contractors of the authority who  
15 were trained as mental health first aid trainers under Section  
16 1001.202;

17 (2) educators who completed a mental health first aid  
18 training program offered by the authority under Section 1001.203  
19 during the preceding calendar year; and

20 (3) individuals who are not educators who completed a  
21 mental health first aid training program offered by the authority  
22 during the preceding calendar year.

23 (b) Not later than August 1 of each year, the department  
24 shall compile the information submitted by local mental health  
25 authorities as required by Subsection (a) and submit a report to the  
26 legislature containing the number of:

27 (1) authority employees and contractors trained as

1 mental health first aid trainers;

2 (2) educators who completed a mental health first aid  
3 training program provided by an authority during the preceding  
4 calendar year; and

5 (3) individuals who are not educators who completed a  
6 mental health first aid training program provided by an authority  
7 during the preceding calendar year.

8 Sec. 1001.206. LIABILITY. A person who has completed a  
9 mental health first aid training program offered by a local mental  
10 health authority under this subchapter and who in good faith  
11 attempts to assist an individual experiencing a mental health  
12 crisis is not liable in civil damages for an act performed in  
13 attempting to assist the individual unless the act is wilfully or  
14 wantonly negligent.

15 SECTION 5. Subtitle A, Title 3, Special District Local Laws  
16 Code, is amended by adding Chapter 1122 to read as follows:

17 CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1122.001. DEFINITIONS. In this chapter:

20 (1) "Board" means the board of directors of the  
21 district.

22 (2) "Director" means a member of the board.

23 (3) "District" means the Hidalgo County Hospital  
24 District.

25 Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County  
26 Hospital District may be created and, if created, operates and is  
27 financed as provided by Section 9, Article IX, Texas Constitution,

1 and by this chapter.

2 Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is  
3 a public entity performing an essential public function.

4 Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the  
5 district are coextensive with the boundaries of Hidalgo County.

6 Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
7 OBLIGATION. The state may not be obligated for the support or  
8 maintenance of the district.

9 Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
10 The legislature may not make a direct appropriation for the  
11 construction, maintenance, or improvement of a district facility.

12 SUBCHAPTER A-1. TEMPORARY PROVISIONS

13 Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION. (a)  
14 The district may be created and a tax may be authorized only if the  
15 creation and the tax are approved by a majority of the registered  
16 voters of the territory of the proposed district voting at an  
17 election called and held for that purpose.

18 (b) The Hidalgo County Commissioners Court shall order an  
19 election for the registered voters of Hidalgo County on the  
20 question of creation of the Hidalgo County Hospital District if the  
21 commissioners court receives a petition requesting an election that  
22 is signed by at least 50 registered voters who are residents of  
23 Hidalgo County.

24 (c) The order calling an election under this section must  
25 state:

26 (1) the nature of the election, including the  
27 proposition that is to appear on the ballot;

1           (2) the date of the election;

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

3           (4) the location of the polling places.

4           (d) Section 41.001(a), Election Code, does not apply to an  
5 election ordered under this section.

6           (e) The Hidalgo County Commissioners Court shall give  
7 notice of an election under this section by publishing a  
8 substantial copy of the election order in a newspaper with general  
9 circulation in Hidalgo County once a week for two consecutive  
10 weeks. The first publication must appear not later than the 30th  
11 day before the date set for the election.

12           (f) The ballot for an election under this section must be  
13 printed to permit voting for or against the proposition: "The  
14 creation of the Hidalgo County Hospital District, providing for the  
15 imposition of an ad valorem tax at a rate not to exceed 75 cents on  
16 each \$100 valuation on all taxable property in the district."

17           (g) The Hidalgo County Commissioners Court shall find that  
18 the Hidalgo County Hospital District is created if a majority of the  
19 voters voting in the election held under this section favor the  
20 creation of the district.

21                           SUBCHAPTER B. DISTRICT ADMINISTRATION

22           Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the  
23 district is approved at the election held under Section 1122.021,  
24 the district shall be governed by a nine-member board of directors,  
25 appointed as follows:

26           (1) the Hidalgo County Commissioners Court shall  
27 appoint four directors;



1           (2) the governing body of the municipality with the  
2 largest population in Hidalgo County shall appoint two directors;

3           (3) the governing body of the municipality with the  
4 second largest population in Hidalgo County shall appoint one  
5 director;

6           (4) the governing body of a municipality with the  
7 third largest population in Hidalgo County shall appoint one  
8 director; and

9           (5) the governing body of a municipality with the  
10 fourth largest population in Hidalgo County shall appoint one  
11 director.

12           (b) Directors serve staggered four-year terms, with as near  
13 as possible to one-fourth of the directors' terms expiring each  
14 year. The terms of the initial directors are as follows:

15           (1) the directors appointed by the governing bodies of  
16 the municipalities in Hidalgo County described by Subsection (a)  
17 shall draw lots to determine which two directors serve a one-year  
18 term, which director serves a two-year term, which director serves  
19 a three-year term, and which director serves a four-year term; and

20           (2) the directors appointed by the Hidalgo County  
21 Commissioners Court shall draw lots to determine which director  
22 serves a one-year term, which director serves a two-year term,  
23 which director serves a three-year term, and which director serves  
24 a four-year term.

25           (c) A director may not serve more than two consecutive  
26 four-year terms.

27           Sec. 1122.052. QUALIFICATIONS. The Hidalgo County

1 Commissioners Court shall by order provide for the qualifications  
2 of appointees to the board. The qualifications must provide that a  
3 person is not eligible for appointment to the board if the person  
4 is:

5 (1) an employee of Hidalgo County;

6 (2) a district employee; or

7 (3) related within the third degree of consanguinity  
8 or affinity, as determined under Subchapter B, Chapter 573,  
9 Government Code, to a member of the commissioners court or to a  
10 person described by Subdivision (1) or (2).

11 Sec. 1122.053. OFFICERS. (a) The board shall elect from  
12 among the directors:

13 (1) a chairman; and

14 (2) a vice-chairman to preside in the chairman's  
15 absence.

16 (b) The board shall elect a director or the district  
17 administrator to serve as secretary.

18 Sec. 1122.054. COMPENSATION; REIMBURSEMENT. A director or  
19 officer serves without compensation but may be reimbursed for  
20 actual expenses incurred in the performance of official duties.  
21 The expenses must be:

22 (1) reported in the district's records; and

23 (2) approved by the board.

24 Sec. 1122.055. DIRECTOR'S BOND. (a) Before assuming the  
25 duties of office, each director must execute a bond in the amount of  
26 \$5,000 payable to the district and conditioned on the faithful  
27 performance of the director's duties.

1       (b) The bond shall be kept in the permanent records of the  
2 district.

3       (c) The board may pay for a director's bond with district  
4 money.

5       Sec. 1122.056. BOARD VACANCY. If a vacancy occurs in the  
6 office of director, the remaining directors shall appoint a  
7 director for the remainder of the unexpired term.

8       Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a  
9 majority of the directors voting is necessary in matters relating  
10 to district business.

11       Sec. 1122.058. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S  
12 BOND. (a) The board may appoint a qualified person as district  
13 administrator.

14       (b) The district administrator serves at the will of the  
15 board.

16       (c) The district administrator is entitled to compensation  
17 determined by the board.

18       (d) Before assuming the duties of district administrator,  
19 the administrator must execute a bond payable to the district in an  
20 amount not less than \$5,000, as determined by the board,  
21 conditioned on the faithful performance of the administrator's  
22 duties.

23       (e) The board may pay for the bond with district money.

24       Sec. 1122.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
25 Subject to the limitations prescribed by the board, the district  
26 administrator shall:

27       (1) supervise the work and activities of the district;

1 and

2 (2) direct the general affairs of the district.

3 Sec. 1122.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

4 (a) The board may appoint qualified persons as assistant district  
5 administrator and attorney for the district.

6 (b) The assistant district administrator and attorney for  
7 the district serve at the will of the board.

8 (c) The assistant district administrator and attorney for  
9 the district are entitled to compensation determined by the board.

10 Sec. 1122.061. EMPLOYEES. (a) The district may employ  
11 nurses, technicians, fiscal agents, accountants, architects,  
12 additional attorneys, and other necessary employees.

13 (b) The board may delegate to the district administrator the  
14 authority to employ persons for the district.

15 Sec. 1122.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

16 The board may spend district money, enter into agreements, and take  
17 other necessary actions to recruit physicians and other persons to  
18 serve as medical staff members or district employees. The actions  
19 may include:

20 (1) advertising and marketing;

21 (2) paying travel, recruitment, and relocation  
22 expenses;

23 (3) providing a loan or scholarship to a physician or a  
24 person currently enrolled in health care education courses at an  
25 institution of higher education who contracts to become a medical  
26 staff member or district employee; or

27 (4) contracting with a full-time medical student or

1 other student in a health occupation who is enrolled in and in good  
2 standing at an accredited medical school, college, or university to  
3 pay the student's tuition or other expenses for the consideration  
4 of the student agreeing to serve as an employee or independent  
5 contractor for the district.

6 Sec. 1122.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

7 The board may:

8 (1) appoint to the medical staff any doctor the board  
9 considers necessary for the efficient operation of the district;

10 (2) remove any doctor from the medical staff, after  
11 due process, if the board considers the doctor's removal necessary  
12 for the efficient operation of the district; and

13 (3) make temporary appointments to the medical staff  
14 as the board considers necessary.

15 Sec. 1122.064. RETIREMENT BENEFITS. The board may provide  
16 retirement benefits for district employees by:

17 (1) establishing or administering a retirement  
18 program; or

19 (2) participating in:

20 (A) the Texas County and District Retirement  
21 System; or

22 (B) another statewide retirement system in which  
23 the district is eligible to participate.

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has  
26 full responsibility for operating hospital facilities and  
27 providing medical and hospital care for the district's needy

1 residents.

2 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.

3 The board shall manage, control, and administer the hospital system  
4 and the money and resources of the district.

5 Sec. 1122.103. RULES. The board may adopt rules governing:

6 (1) the operation of the hospital and hospital system;

7 and

8 (2) the duties, functions, and responsibilities of  
9 district staff and employees.

10 Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The

11 board may prescribe:

12 (1) the method of making purchases and expenditures by  
13 and for the district; and

14 (2) accounting and control procedures for the  
15 district.

16 Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES. (a)

17 The district may operate or provide for the operation of a mobile  
18 emergency medical service.

19 (b) The district may operate or provide for home health  
20 services, long-term care, skilled nursing care, intermediate  
21 nursing care, or hospice care.

22 Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND  
23 EQUIPMENT. (a) The board shall determine:

24 (1) the type, number, and location of buildings  
25 required to maintain an adequate hospital system; and

26 (2) the type of equipment necessary for hospital care.

27 (b) The board may:

1           (1) acquire property, facilities, and equipment for  
2 the district for use in the hospital system;

3           (2) mortgage or pledge the property, facilities, or  
4 equipment as security for payment of the purchase price;

5           (3) sell or otherwise dispose of property, facilities,  
6 or equipment for the district; or

7           (4) lease hospital facilities for the district.

8           Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The  
9 board may enter into operating or management contracts relating to  
10 hospital facilities for the district.

11           Sec. 1122.108. SERVICE CONTRACTS. (a) The board may  
12 contract with a public or private hospital, a political subdivision  
13 of the state, or a state or federal agency for the district to  
14 provide a mobile emergency medical service or other health care  
15 services needed to provide for the investigatory or welfare needs  
16 of residents of the district.

17           (b) The board may contract with a person to receive or  
18 supply the services the board considers necessary for the effective  
19 operation of the district.

20           Sec. 1122.109. EMINENT DOMAIN. (a) The district may  
21 exercise the power of eminent domain to acquire a fee simple or  
22 other interest in property located in district territory if the  
23 interest is necessary for the district to exercise the rights or  
24 authority conferred by this chapter.

25           (b) The district must exercise the power of eminent domain  
26 in the manner provided by Chapter 21, Property Code, except that the  
27 district is not required to deposit with the trial court money or a

1 bond as provided by Section 21.021(a), Property Code.

2 (c) In a condemnation proceeding brought by the district,  
3 the district is not required to:

4 (1) pay in advance or provide bond or other security  
5 for costs in the trial court;

6 (2) provide bond for the issuance of a temporary  
7 restraining order or a temporary injunction; or

8 (3) provide a bond for costs or a supersedeas bond on  
9 an appeal or petition for review.

10 Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
11 exercising the power of eminent domain, if the board requires  
12 relocating, raising, lowering, rerouting, changing the grade, or  
13 altering the construction of any railroad, highway, pipeline, or  
14 electric transmission and electric distribution, telegraph, or  
15 telephone line, conduit, pole, or facility, the district shall pay  
16 the actual cost of that activity to provide a comparable  
17 replacement, without enhancement of facilities, after deducting  
18 the net salvage value derived from the old facility.

19 Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept  
20 for the district a gift or endowment to be held in trust for any  
21 purpose and under any direction, limitation, or provision in  
22 writing by the donor that is consistent with the proper management  
23 of the district.

24 Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
25 When a person who resides in the district is admitted as a patient  
26 to a district facility, the district administrator may have an  
27 inquiry made into the financial circumstances of:



1           (1) the patient; and

2           (2) a relative of the patient who is legally  
3 responsible for the patient's support.

4           (b) To the extent that the patient or a relative of the  
5 patient who is legally responsible for the patient's support cannot  
6 pay for care and treatment provided by the district, the district  
7 shall supply the care and treatment without charging the patient or  
8 the patient's relative.

9           (c) On determining that the patient or a relative legally  
10 responsible for the patient's support can pay for all or part of the  
11 care and treatment provided by the district, the district  
12 administrator shall report that determination to the board, and the  
13 board shall issue an order directing the patient or the relative to  
14 pay the district a specified amount each week. The amount must be  
15 based on the person's ability to pay.

16           (d) The district administrator may collect money owed to the  
17 district from the patient's estate or from that of a relative  
18 legally responsible for the patient's support in the manner  
19 provided by law for the collection of expenses in the last illness  
20 of a deceased person.

21           (e) If there is a dispute relating to a person's ability to  
22 pay or if the district administrator has any doubt concerning a  
23 person's ability to pay, the board shall call witnesses, hear and  
24 resolve the question, and issue a final order. The order may be  
25 appealed to a district court in any county in which the district is  
26 located. The substantial evidence rule applies to an appeal under  
27 this subsection.

1       Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board  
2 shall require a county, municipality, or public hospital located  
3 outside of the district to reimburse the district for the  
4 district's care and treatment of a sick or injured person of that  
5 county, municipality, or hospital, as provided by Chapter 61,  
6 Health and Safety Code.

7       (b) The board shall require the sheriff of Hidalgo County to  
8 reimburse the district for the district's care and treatment of a  
9 person who is confined in a jail facility of Hidalgo County and is  
10 not a resident of the district.

11       (c) On behalf of the district, the board may contract with  
12 the state or federal government for that government to reimburse  
13 the district for treatment of a sick or injured person.

14       Sec. 1122.114. NONPROFIT CORPORATION. (a) The district  
15 may create and sponsor a nonprofit corporation under the Business  
16 Organizations Code and may contribute money to or solicit money for  
17 the corporation.

18       (b) A corporation created under this section may use money  
19 contributed by the district only to provide health care or other  
20 services the district is authorized to provide under this chapter.

21       (c) The corporation may invest the corporation's money in  
22 any manner in which the district may invest the district's money,  
23 including investing money as authorized by Chapter 2256, Government  
24 Code.

25       (d) The board shall establish controls to ensure that the  
26 corporation uses its money as required by this section.

27       Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT

1 PURPOSES. Under the authority granted by Section 52-a, Article  
2 III, Texas Constitution, the district may loan or grant money to any  
3 person for the development of medical education and research in the  
4 district.

5 Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may  
6 sue and be sued on behalf of the district.

7 Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR  
8 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a  
9 construction contract on the district's behalf.

10 (b) The board may enter into a construction contract only  
11 after competitive bidding as provided by Subchapter B, Chapter 271,  
12 Local Government Code, if the amount of the contract is greater than  
13 the amount provided by Section 271.024 of that code.

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 1122.151. BUDGET. (a) The district administrator  
16 shall prepare a proposed annual budget for the district.

17 (b) The proposed budget must contain a complete financial  
18 statement, including a statement of:

19 (1) the outstanding obligations of the district;

20 (2) the amount of cash on hand to the credit of each  
21 fund of the district;

22 (3) the amount of money received by the district from  
23 all sources during the previous year;

24 (4) the amount of money available to the district from  
25 all sources during the ensuing year;

26 (5) the amount of the balances expected at the end of  
27 the year in which the budget is being prepared;

1           (6) the estimated amount of revenues and balances  
2 available to cover the proposed budget; and

3           (7) the estimated tax rate required.

4           Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
5 The board shall hold a public hearing on the proposed budget.

6           (b) The board shall publish notice of the hearing in a  
7 newspaper with general circulation in the district not later than  
8 the 10th day before the date of the hearing.

9           (c) Any district resident is entitled to be present and  
10 participate at the hearing.

11           (d) At the conclusion of the hearing, the board shall adopt  
12 a budget by acting on the budget proposed by the district  
13 administrator. The board may make a change in the proposed budget  
14 that the board determines to be in the interests of the taxpayers.

15           (e) The budget is effective only after adoption by the  
16 board.

17           Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is  
18 adopted, the budget may be amended on the board's approval.

19           Sec. 1122.154. FISCAL YEAR. (a) The district operates  
20 according to a fiscal year established by the board.

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

22                   (1) during a period in which revenue bonds of the  
23 district are outstanding; or

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

25           Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual  
26 audit made of the financial condition of the district.

27           Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT

1 RECORDS. The annual audit and other district records are open to  
2 inspection during regular business hours at the principal office of  
3 the district.

4 Sec. 1122.157. FINANCIAL REPORT. As soon as practicable  
5 after the close of each fiscal year, the district administrator  
6 shall prepare for the board a sworn statement of the amount of  
7 district money and an account of the disbursement of that money.

8 Sec. 1122.158. SHORT-TERM FINANCING. The district may  
9 borrow money through short-term financing.

10 Sec. 1122.159. DEBT LIMITATION. Except as provided by this  
11 chapter and Chapter 1207, Government Code, the district may not  
12 incur a debt payable from district revenue other than revenue  
13 available in the current fiscal year and the immediately following  
14 fiscal year of the district.

15 Sec. 1122.160. DEPOSITORY. (a) The board shall select at  
16 least one bank to serve as a depository for district money.

17 (b) The board may solicit bids from local financial  
18 institutions to determine which institution may serve as a  
19 depository for district money.

20 (c) District money, other than money invested as provided by  
21 Section 1122.161 and money transmitted to a bank for payment of  
22 bonds or obligations issued or assumed by the district, shall be  
23 deposited as received with the depository bank and shall remain on  
24 deposit. This subsection does not limit the board's power to place  
25 part of the district's money on time deposit or to purchase  
26 certificates of deposit.

27 Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may

1 invest operating, depreciation, or building reserves only in funds  
2 or securities specified by Chapter 2256, Government Code.

3 SUBCHAPTER E. BONDS

4 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by  
5 an election, the board may issue and sell general obligation bonds  
6 in the name and on the faith and credit of the district to:

7 (1) purchase, construct, acquire, repair, or renovate  
8 buildings or improvements;

9 (2) equip buildings or improvements for hospital  
10 purposes; or

11 (3) acquire and operate a mobile emergency medical  
12 service.

13 Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
14 the time general obligation bonds are issued by the district under  
15 Section 1122.201, the board shall impose an ad valorem tax in an  
16 amount sufficient to create an interest and sinking fund to pay the  
17 principal of and interest on the bonds as the bonds mature.

18 (b) The tax required by this section together with any other  
19 tax the district imposes in any year may not exceed the limit  
20 approved by the voters at the election authorizing the imposition  
21 of taxes.

22 Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
23 district may issue general obligation bonds only if the bonds are  
24 authorized by a majority of the voters voting in an election held  
25 for that purpose.

26 (b) The board may order a bond election. The order calling  
27 the election must specify:

- 1           (1) the nature and date of the election;
- 2           (2) the hours during which the polls will be open;
- 3           (3) the location of polling places;
- 4           (4) the amounts of the bonds to be authorized; and
- 5           (5) the maximum maturity of the bonds.

6           (c) Notice of a bond election must be given as provided by  
7 Chapter 1251, Government Code.

8           (d) The board shall declare the results of the election.

9           Sec. 1122.204. REVENUE BONDS. (a) The board may issue  
10 revenue bonds to:

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

13           (2) acquire sites to be used for hospital purposes; or

14           (3) acquire and operate a mobile emergency medical  
15 service to assist the district in carrying out its hospital  
16 purposes.

17           (b) The bonds must be payable from and secured by a pledge of  
18 all or part of the revenues derived from the operation of the  
19 district's hospital system.

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

22           (d) The bonds must be issued in the manner provided by  
23 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,  
24 Health and Safety Code, for issuance of revenue bonds by county  
25 hospital authorities.

26           Sec. 1122.205. MATURITY. District bonds must mature not  
27 later than 40 years after the date of their issuance.

1       Sec. 1122.206. EXECUTION OF BONDS. (a) The board president  
2 shall execute district bonds in the district's name.

3       (b) The board secretary shall countersign the bonds in the  
4 manner provided by Chapter 618, Government Code.

5       Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The  
6 following are not subject to taxation by the state or by a political  
7 subdivision of the state:

8           (1) bonds issued by the district;

9           (2) any transaction relating to the bonds; and

10          (3) profits made in the sale of the bonds.

11                           SUBCHAPTER F. AD VALOREM TAX

12       Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
13 shall impose a tax on all property in the district subject to  
14 hospital district taxation.

15       (b) The tax may be used to pay:

16           (1) indebtedness issued or assumed by the district;

17 and

18           (2) the maintenance and operating expenses of the

19 district.

20       (c) The district may not impose a tax to pay the principal of  
21 or interest on revenue bonds issued under this chapter.

22       Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable  
23 property in the district for all purposes may not exceed 75 cents on  
24 each \$100 valuation of the property according to the most recent  
25 certified tax appraisal roll of the district.

26       (b) In setting the tax rate, the board shall consider  
27 district income from sources other than taxation.



1       Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may  
2 provide for the appointment of a tax assessor-collector for the  
3 district or may contract for the assessment and collection of taxes  
4 as provided by the Tax Code.

5                               SUBCHAPTER G. DISSOLUTION

6       Sec. 1122.301. DISSOLUTION; ELECTION. (a) The district  
7 may be dissolved only on approval of a majority of the voters voting  
8 in an election held for that purpose.

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

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

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

16               (1) the nature of the election, including the  
17 proposition that is to appear on the ballot;

18               (2) the date of the election;

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

20               (4) the location of the polling places.

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

23       Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall  
24 give notice of an election under this subchapter by publishing a  
25 substantial copy of the election order in a newspaper with general  
26 circulation in the district once a week for two consecutive weeks.

27       (b) The first publication must appear not later than the

1 30th day before the date set for the election.

2 Sec. 1122.303. BALLOT. The ballot for an election under  
3 this subchapter must be printed to permit voting for or against the  
4 proposition: "The dissolution of the Hidalgo County Hospital  
5 District."

6 Sec. 1122.304. ELECTION RESULTS. (a) If a majority of the  
7 votes in an election under this subchapter favor dissolution, the  
8 board shall order that the district be dissolved.

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

14 Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
15 If a majority of the votes in an election under this subchapter  
16 favor dissolution, the board shall:

17 (1) transfer the land, buildings, improvements,  
18 equipment, and other assets belonging to the district to Hidalgo  
19 County or another governmental entity in Hidalgo County; or

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

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

26 (c) If Subsection (a)(1) does not apply and the board  
27 administers the property, assets, and debts of the district under

1 Subsection (a)(2), the district is dissolved when all money has  
2 been disposed of and all district debts have been paid or settled.

3 Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
4 TAXES. (a) After the board determines that the district is  
5 dissolved, the board shall:

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

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

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

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

19 Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the  
20 district has paid all its debts and has disposed of all its money  
21 and other assets as prescribed by this subchapter, the board shall  
22 file a written report with the Hidalgo County Commissioners Court  
23 summarizing the board's actions in dissolving the district.

24 (b) Not later than the 10th day after the date the Hidalgo  
25 County Commissioners Court receives the report and determines that  
26 the requirements of this subchapter have been fulfilled, the  
27 commissioners court shall enter an order dissolving the district

1 and releasing the board from any further duty or obligation.

2 SECTION 6. (a) Section 1001.206, Health and Safety Code, as  
3 added by this Act, applies only to a cause of action that accrues on  
4 or after the effective date of this Act. A cause of action that  
5 accrues before the effective date of this Act is governed by the law  
6 in effect immediately before that date, and that law is continued in  
7 effect for that purpose.

8 (b) Not later than May 1, 2014, the executive commissioner  
9 of the Health and Human Services Commission shall adopt any rules  
10 necessary to implement Section 533.051, Health and Safety Code, as  
11 added by this Act, and the rules required by Section 533.053, Health  
12 and Safety Code, as added by this Act.

13 SECTION 7. Proof of publication of the notice required to  
14 enact Chapter 1122, Special District Local Laws Code, as added by  
15 this Act, under the provisions of Section 9, Article IX, Texas  
16 Constitution, has been made in the manner and form provided by law  
17 pertaining to the enactment of local and special laws, and the  
18 notice is found and declared proper and sufficient to satisfy the  
19 requirement.

20 SECTION 8. (a) Except as provided by Subsection (b) of this  
21 section, this Act takes effect September 1, 2013.

22 (b) Section 533.0354, Health and Safety Code, as amended by  
23 this Act, takes effect January 1, 2014.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3793 was passed by the House on May 10, 2013, by the following vote: Yeas 138, Nays 5, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3793 on May 24, 2013, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3793 on May 26, 2013, by the following vote: Yeas 113, Nays 26, 2 present, not voting.

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Chief Clerk of the House

H.B. No. 3793

I certify that H.B. No. 3793 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3793 on May 26, 2013, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor