

BILL ANALYSIS

Senate Research Center

S.B. 1950
By: Seliger
Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Donley County Hospital District initially operated as a hospital, then a nursing home, and now assists their Emergency Medical Services (EMS) with contracting. Because they no longer operate as a hospital and are now aiding EMS, they want to ensure that their ability to contract is clear in code.

S.B. 1950 addresses Donley County Hospital District's concerns by creating explicit language that enables the district's board to delegate the authority to manage, control, and administer the hospital and hospital system's operations to the board director with the board's oversight. In addition, S.B. 1950 allows the district to operate or provide for the operation of a mobile emergency medical or air ambulance service as part of the hospital system under Section 1021.104. (Original Author's/Sponsor's Statement of Intent)

S.B. 1950 amends current law relating to the Donley County Hospital District.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the board of directors of the Donley County Hospital District is modified in SECTION 5 (Section 1021.105, Special District Local Laws Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1021.061(c), Special District Local Laws Code, to authorize the board of directors of the Donley County Hospital District (board; district) to delegate to the district administrator the authority to hire district employees, including technicians and nurses, for the efficient operation of the district.

SECTION 2. Amends Subchapter B, Chapter 1021, Special District Local Laws Code, by adding Sections 1021.063, 1021.064, and 1021.065, as follows:

Sec. 1021.063. MAINTENANCE OF RECORDS. Requires the board to keep minutes of all board meetings and proceedings and maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

Sec. 1021.064. RECRUITMENT OF MEDICAL PERSONNEL. (a) Authorizes the board to spend district money to recruit physicians, nurses, and other trained medical personnel.

(b) Authorizes the board to pay the tuition or other expenses of a full-time medical student or other student in a health occupation who is enrolled in and is in good standing at an accredited medical school, college, or university and contractually agrees to become a district employee or independent contractor in return for that assistance.

Sec. 1021.065. EDUCATIONAL PROGRAMS; COURSES. Authorizes the board to provide or contract for the provision of educational programs or courses for district

employees, medical staff, board members, and the public as necessary or beneficial to promote the mission of the district.

SECTION 3. Amends Section 1021.103, Special District Local Laws Code, as follows:

Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes the board to delegate to the district administrator the authority to manage, control, and administer the hospital, the hospital system, and the district's business, money, and resources under the board's oversight.

SECTION 4. Amends Section 1021.104, Special District Local Laws Code, as follows:

Sec. 1021.104. HOSPITAL SYSTEM. (a) Requires the district to provide for the establishment of a hospital or hospital system in the district by:

(1) leasing, purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;

(2) equipping the buildings and improvements; and

(3) administering the buildings and improvements for hospital purposes.

(b) Creates this subsection from existing text and authorizes the hospital system, as determined by the board, to include certain facilities, including outpatient clinics and related facilities, rather than facilities for outpatient clinics and blood banks. Redesignates existing text of Subdivision (8) as Subdivision (9).

(c) Authorizes the district to operate or provide for the operation of a mobile emergency medical or air ambulance service as part of the hospital system.

SECTION 5. Amends Section 1021.105, Special District Local Laws Code, as follows:

Sec. 1021.105. RULES. Authorizes the board to adopt rules governing the operation of the hospital, the hospital system, and the district's staff and employees and as otherwise required to administer this chapter (Donely County Hospital District).

SECTION 6. Amends Section 1021.107, Special District Local Laws Code, as follows:

Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) Requires the board to determine the type, number, and location of buildings required for district purposes, rather than determine the type, number, and location of buildings required to maintain an adequate hospital system. Authorizes the board to purchase or lease buildings, materials, supplies, equipment, and vehicles for district purposes.

(b) Authorizes the board to lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants, rather than authorizing the board to contract with the Health and Human Services Commission to lease all or part of the district's buildings and other facilities on terms considered to be in the best interest of the district's inhabitants.

(c) Authorizes the district to acquire equipment, land, improvements, or vehicles for use by the district and mortgage or pledge the property as security for the payment of the purchase price, rather than authorizing the district to acquire equipment for use in the district's hospital system and mortgage or pledge the property as security for the payment of the purchase price. Requires a contract entered into under this subsection for equipment or vehicles to provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) Authorizes the district to sell or otherwise dispose of any property, including equipment and vehicles, on terms the board finds are in the best interest of the district's inhabitants.

SECTION 7. Amends Section 1021.110, Special District Local Laws Code, as follows:

Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS. Requires a construction or purchase contract that involves the expenditure of more than the amount provided by Section 271.024 (Competitive Procurement Procedure Applicable to Contract), Local Government Code, to comply with the competitive procurement requirements provided by Chapter 252 (Purchasing and Contracting Authority of Municipalities), 262 (Purchasing and Contracting Authority of Counties), or 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, as applicable, rather than authorizing a construction or purchase contract that involves the expenditure of more than \$2,000 to be made only after advertising in the manner provided by Chapter 252 and Subchapter C (Competitive Bidding in General), Chapter 262, Local Government Code.

SECTION 8. Amends Section 1021.112, Special District Local Laws Code, as follows:

Sec. 1021.112. New heading: CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) Authorizes the board to contract with a county or municipality located outside the district's boundaries for the care and treatment, rather than for the hospitalization, of a sick or injured person of that county or municipality.

(b) Authorizes the board to contract with this state or a federal agency for the care and treatment of a sick or injured person for whom this state or the agency is responsible, rather than for the hospital treatment or a sick or injured person.

SECTION 9. Amends Subchapter C, Chapter 1021, Special District Local Laws Code, by adding Section 1021.116, as follows:

Sec. 1021.116. FACILITIES OR SERVICES FOR PERSONS WHO ARE ELDERLY OR PERSONS WITH DISABILITIES. (a) Authorizes the district to:

(1) purchase, construct, acquire by lease or contract, repair, renovate, equip, or administer certain types of facilities or services for the care of persons who are elderly or persons with disabilities;

(2) purchase, acquire by lease or contract, repair, or equip durable medical equipment to provide services to persons who are elderly or to persons with disabilities.

(b) Authorizes the board, for a facility or service described by Subsection (a), to:

(1) lease or enter into an operating or management agreement relating to all or part of a facility or service that is owned by the district;

(2) close, transfer, sell, or otherwise convey all or part of a facility; and

(3) discontinue all or part of a service.

(c) Authorizes the board to issue general obligation bonds, revenue bonds, and other notes to acquire, construct, or improve a facility for the care of persons who are elderly or of persons with disabilities or to implement the delivery of a service for the care of persons who are elderly or of persons with disabilities.

(d) Provides that, for the purposes of this section, a facility or service described by Subsection (a) is a hospital project under Chapter 223 (Hospital Project Financing

Act), Health and Safety Code, notwithstanding Section 223.002 (Definitions) of that chapter.

SECTION 10. Amends Section 1021.157, Special District Local Laws Code, as follows:

Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT RECORDS. Requires the audit and other district records, including records described by Section 1021.063, to be open to public inspection at the district's principal office.

SECTION 11. Amends Subchapter D, Chapter 1021, Special District Local Laws Code, by adding Sections 1021.161 and 1021.162, as follows:

Sec. 1021.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) Authorizes the board, notwithstanding Section 1021.160 (Spending and Investment Restrictions), to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds, or district bonds that have been authorized but not sold.

(c) Requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan is made. Requires a loan for which district revenue is pledged to mature not later than the fifth anniversary of the date the loan is made.

Sec. 1021.162. AUTHORITY TO BORROW MONEY IN EMERGENCY; SECURITY.

(a) Authorizes the board, notwithstanding Section 1021.160, to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made if the board declares that money is not available to meet authorized obligations of the district and an emergency exists.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district tax to be imposed by the district in the next 12-month period that is not pledged to pay the principal of or interest on district bonds, or district bonds that have been authorized but not sold.

(c) Requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan is made. Requires a loan for which district revenue is pledged to mature not later than the fifth anniversary of the date the loan is made.

(d) Prohibits the board from spending money obtained from a loan under this section for any purpose other than the purpose for which the board declared an emergency and, if district taxes or bonds are pledged to pay the loan, the purpose for which the pledged taxes were imposed or the pledged bonds were authorized.

SECTION 12. Amends Section 1021.201, Special District Local Laws Code, as follows:

Sec. 1021.201. GENERAL OBLIGATION BONDS. Authorizes the board to issue and sell general obligation bonds in the name and on the faith and credit of the district for any purpose relating to certain acts, including acquiring and operating a mobile emergency medical or air ambulance service. Makes nonsubstantive changes.

SECTION 13. Effective date: upon passage or September 1, 2019.