

AN ACT

relating to the Donley County Hospital District.

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

SECTION 1. Section 1021.061(c), Special District Local Laws Code, is amended to read as follows:

(c) The board may delegate to the district administrator the authority to hire district employees, including technicians and nurses, for the efficient operation of the district.

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

Sec. 1021.063. MAINTENANCE OF RECORDS. The board shall:

(1) keep minutes of all board meetings and proceedings; and

(2) 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) The board may spend district money to recruit physicians, nurses, and other trained medical personnel.

(b) The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

(1) is enrolled in and is in good standing at an

1 accredited medical school, college, or university; and

2 (2) contractually agrees to become a district employee  
3 or independent contractor in return for that assistance.

4 Sec. 1021.065. EDUCATIONAL PROGRAMS; COURSES. The board  
5 may provide or contract for the provision of educational programs  
6 or courses for district employees, medical staff, board members,  
7 and the public as necessary or beneficial to promote the mission of  
8 the district.

9 SECTION 3. Section 1021.103, Special District Local Laws  
10 Code, is amended to read as follows:

11 Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
12 (a) The board shall manage, control, and administer the hospital  
13 system and the district's money and resources.

14 (b) The board may delegate to the district administrator  
15 the authority to manage, control, and administer the hospital, the  
16 hospital system, and the district's business, money, and resources  
17 under the board's oversight.

18 SECTION 4. Section 1021.104, Special District Local Laws  
19 Code, is amended to read as follows:

20 Sec. 1021.104. HOSPITAL SYSTEM. (a) The district shall  
21 provide for the establishment of a hospital or hospital system in  
22 the district by:

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

25 (2) equipping the buildings and improvements; and

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

1        (b) The hospital system, as determined by the board, may  
2 include:

3            (1) facilities for domiciliary care of the sick,  
4 injured, or geriatric;

5            (2) [~~facilities for~~] outpatient clinics and related  
6 facilities;

7            (3) dispensaries;

8            (4) convalescent home facilities;

9            (5) necessary nurses centers;

10           (6) research centers or laboratories;

11           (7) nursing homes or similar facilities for the care  
12 of the elderly;

13           (8) blood banks; and

14           (9) [~~(8)~~] any other facilities the board considers  
15 necessary for hospital care.

16        (c) The district may operate or provide for the operation of  
17 a mobile emergency medical or air ambulance service as part of the  
18 hospital system.

19        SECTION 5. Section 1021.105, Special District Local Laws  
20 Code, is amended to read as follows:

21        Sec. 1021.105. RULES. The board may adopt rules governing  
22 the operation of the hospital, the hospital system, and the  
23 district's staff and employees and as otherwise required to  
24 administer this chapter.

25        SECTION 6. Section 1021.107, Special District Local Laws  
26 Code, is amended to read as follows:

27        Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND

1 EQUIPMENT. (a) The board shall determine the type, number, and  
2 location of buildings required for district purposes [~~to maintain~~  
3 ~~an adequate hospital system~~]. The board may purchase or lease  
4 buildings, materials, supplies, equipment, and vehicles for  
5 district purposes.

6 (b) The board may [~~contract with the Health and Human~~  
7 ~~Services Commission to~~] lease all or part of the district's  
8 buildings and other facilities on terms considered to be in the best  
9 interest of the district's inhabitants. The term of the lease may  
10 not exceed 25 years.

11 (c) The district may acquire equipment, land, improvements,  
12 or vehicles for use by [~~in~~] the district [~~district's hospital~~  
13 ~~system~~] and mortgage or pledge the property as security for the  
14 payment of the purchase price. A contract entered into under this  
15 subsection for equipment or vehicles must provide that the entire  
16 obligation be retired not later than the fifth anniversary of the  
17 date of the contract.

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

21 SECTION 7. Section [1021.110](#), Special District Local Laws  
22 Code, is amended to read as follows:

23 Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS. A  
24 construction or purchase contract that involves the expenditure of  
25 more than the amount provided by Section [271.024](#), Local Government  
26 Code, must comply with the competitive procurement requirements  
27 [~~\$2,000 may be made only after advertising in the manner~~] provided

1 by Chapter 252, 262, or 271 [~~and Subchapter C, Chapter 262~~], Local  
2 Government Code, as applicable.

3 SECTION 8. Section 1021.112, Special District Local Laws  
4 Code, is amended to read as follows:

5 Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
6 CARE AND [HOSPITAL] TREATMENT. (a) The board may contract with a  
7 county or municipality located outside the district's boundaries  
8 for the care and treatment [~~hospitalization~~] of a sick or injured  
9 person of that county or municipality.

10 (b) The board may contract with this state or a federal  
11 agency for the care and [~~hospital~~] treatment of a sick or injured  
12 person for whom this state or the agency is responsible.

13 SECTION 9. Subchapter C, Chapter 1021, Special District  
14 Local Laws Code, is amended by adding Section 1021.116 to read as  
15 follows:

16 Sec. 1021.116. FACILITIES OR SERVICES FOR PERSONS WHO ARE  
17 ELDERLY OR PERSONS WITH DISABILITIES. (a) The district may:

18 (1) purchase, construct, acquire by lease or contract,  
19 repair, renovate, equip, or administer the following types of  
20 facilities or services for the care of persons who are elderly or  
21 persons with disabilities:

22 (A) a nursing home or similar long-term care  
23 facility;

24 (B) elderly housing;

25 (C) assisted living;

26 (D) home health;

27 (E) personal care;

1                   (F) special care; or

2                   (G) continuing care; and

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

6           (b) For a facility or service described by Subsection (a),  
7 the board may:

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

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

13                   (3) discontinue all or part of a service.

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

19           (d) For the purposes of this section, a facility or service  
20 described by Subsection (a) is a hospital project under Chapter  
21 223, Health and Safety Code, notwithstanding Section 223.002 of  
22 that chapter.

23           SECTION 10. Section [1021.157](#), Special District Local Laws  
24 Code, is amended to read as follows:

25           Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
26 The audit and other district records, including records described  
27 by Section 1021.063, shall be open to public inspection at the

1 district's principal office.

2 SECTION 11. Subchapter D, Chapter 1021, Special District  
3 Local Laws Code, is amended by adding Sections 1021.161 and  
4 1021.162 to read as follows:

5 Sec. 1021.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

6 (a) Notwithstanding Section 1021.160, the board may borrow money  
7 at a rate not to exceed the maximum annual percentage rate allowed  
8 by law for district obligations at the time the loan is made.

9 (b) To secure a loan, the board may pledge:

10 (1) district revenue that is not pledged to pay the  
11 district's bonded indebtedness;

12 (2) a district tax to be imposed by the district in the  
13 next 12-month period that is not pledged to pay the principal of or  
14 interest on district bonds; or

15 (3) district bonds that have been authorized but not  
16 sold.

17 (c) A loan for which taxes or bonds are pledged must mature  
18 not later than the first anniversary of the date the loan is made. A  
19 loan for which district revenue is pledged must mature not later  
20 than the fifth anniversary of the date the loan is made.

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

22 SECURITY. (a) Notwithstanding Section 1021.160, the board may  
23 borrow money at a rate not to exceed the maximum annual percentage  
24 rate allowed by law for district obligations at the time the loan is  
25 made if the board declares that:

26 (1) money is not available to meet authorized  
27 obligations of the district; and

1           (2) an emergency exists.

2           (b) To secure a loan, the board may pledge:

3           (1) district revenue that is not pledged to pay the  
4 district's bonded indebtedness;

5           (2) a district tax to be imposed by the district in the  
6 next 12-month period that is not pledged to pay the principal of or  
7 interest on district bonds; or

8           (3) district bonds that have been authorized but not  
9 sold.

10          (c) A loan for which taxes or bonds are pledged must mature  
11 not later than the first anniversary of the date the loan is made. A  
12 loan for which district revenue is pledged must mature not later  
13 than the fifth anniversary of the date the loan is made.

14          (d) The board may not spend money obtained from a loan under  
15 this section for any purpose other than:

16           (1) the purpose for which the board declared an  
17 emergency; and

18           (2) if district taxes or bonds are pledged to pay the  
19 loan, the purpose for which the pledged taxes were imposed or the  
20 pledged bonds were authorized.

21          SECTION 12. Section 1021.201, Special District Local Laws  
22 Code, is amended to read as follows:

23          Sec. 1021.201. GENERAL OBLIGATION BONDS. The board may  
24 issue and sell general obligation bonds in the name and on the faith  
25 and credit of the district for any purpose relating to:

26           (1) the purchase, construction, acquisition, repair,  
27 or renovation of buildings or improvements; [~~and~~]



1           (2) equipping buildings or improvements for hospital  
2 purposes; or

3           (3) acquiring and operating a mobile emergency medical  
4 or air ambulance service.

5           SECTION 13. This Act takes effect immediately if it  
6 receives a vote of two-thirds of all the members elected to each  
7 house, as provided by Section 39, Article III, Texas Constitution.  
8 If this Act does not receive the vote necessary for immediate  
9 effect, this Act takes effect September 1, 2019.

S.B. No. 1950

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1950 passed the Senate on April 17, 2019, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1950 passed the House on May 14, 2019, by the following vote: Yeas 137, Nays 4, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor