

**BILL ANALYSIS**

Senate Research Center

H.B. 5664  
By: Hefner (Hughes)  
Local Government  
5/21/2025  
Engrossed

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 5664 proposes amendments to the governance and operational procedures of the Wood County Central Hospital District of Wood County, Texas. The bill updates existing statutory provisions under Chapter 1116 of the Special District Local Laws Code, with the aim of improving administrative flexibility and financial oversight.

The bill increases the size of the hospital district board from six to seven elected directors, with all directors continuing to be elected at large unless district boundaries are expanded under specific subchapters. It also modifies audit requirements by allowing the board to determine the timing of independent audits based on need, provided that audits occur at least once every three years. This change replaces the current mandate for annual audits and the associated filing requirements with the Comptroller of Public Accounts of the State of Texas.

Regarding financial management, H.B. 5664 authorizes the board to select one or more banks—either within or outside Wood County—as the district's depository through a board resolution. It also removes the previous requirement that the designated bank serve a two-year term. Furthermore, the bill imposes investment restrictions by mandating that district funds may only be invested in vehicles permitted under Chapter 2256 of the Government Code, which governs public fund investments in Texas.

To ensure continuous governance following these changes, the bill requires the board to appoint a temporary director to fill the newly added seventh seat until the next regular election in 2026.

H.B. 5664 amends current law relating to the operation of Wood County Central Hospital District of Wood County, Texas.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1116.051(a), Special District Laws Code, to provide that the board of directors of the Wood County Central Hospital District of Wood County, Texas (board; district) consists of seven, rather than six, directors elected from the district at large unless the boundaries of the district are expanded under Subchapter G (Expansion of District Territory to Include Mineola Independent School District) or H (Expansion of District Territory to include Alba-Golden, Yantis, and Hawkins Independent School Districts), Chapter 1116 (Wood County Central Hospital District).

SECTION 2. Amends Section 1116.154, Special District Laws Code, as follows:

Sec. 1116.154. New heading: AUDIT. Requires the board, rather than requires the board annually, to require an independent audit of the district's books and records as determined necessary by the board, but in no event less often than every three years.

Deletes designation of existing Subsection (a). Deletes text of existing Subsection (b) requiring the board, not later than December 1 of each year, to file a copy of the audit with the Comptroller of Public Accounts of the State of Texas and the district.

SECTION 3. Amends Section 1116.155, Special District Laws Code, as follows:

Sec. 1116.155. DEPOSITORY. (a) Requires the board by resolution to select one or more banks inside or outside the district to serve, rather than to designate a bank in Wood County, as the district's depository. Deletes existing text providing that a designated bank serves for two years and until a successor is designated.

(b) Requires all district money, other than money invested as provided by Section 1116.156, to be deposited in the depository and secured in the manner provided for securing county funds.

SECTION 4. Amends Subchapter D, Chapter 1116, Special District Local Laws Code, by adding Section 1116.156, as follows:

Sec. 1116.156. INVESTMENT RESTRICTIONS. Authorizes the board to invest district funds only in funds or securities specified by Chapter 2256 (Public Funds Investment), Government Code.

SECTION 5. Requires the board, following the effective date of this Act, to appoint a temporary director to serve until the date of the regular election of directors in 2026.

SECTION 6. Effective date: upon passage or September 1, 2025.