

## **BILL ANALYSIS**

Senate Research Center  
89R3344 SRA-F

S.B. 1042  
By: Flores  
Local Government  
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As Filed

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

Many individual hospital districts' enabling acts are dated, with Kimble County Hospital's original bill being passed in 1971 and partially amended in 2009. Due to the statute's age, the district board has requested this update to correct many outstanding issues regarding board membership, budget drafting, depository selection, hospital services, and others.

Because it is common and necessary to amend older statute for hospital districts as times, and thus laws, change, the purpose of this bill is to update antiquated statute governing the Kimble County Hospital District so that its administrative processes are efficient and level with modern hospital statute.

As proposed, S.B. 1042 amends current law relating to the Kimble County Hospital District of Kimble County, Texas.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the board of the Kimble County Hospital District of Kimble County, Texas, is modified in SECTION 4 (Section 1049.105, Special District Local Laws Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1049.052, Special District Local Laws Code, as follows:

Sec. 1049.052. QUALIFICATIONS FOR OFFICE. (a) Creates this subsection from existing text. Requires a person, to qualify for election to the board of directors of the Kimble County Hospital District of Kimble County, Texas (district; board):

(1) makes a nonsubstantive change to this subdivision; and

(2) to have been a district resident for at least one year, rather than two years.

Deletes existing text requiring a person, to qualify for election to the board, to be a qualified property tax paying voter of the district. Makes a nonsubstantive change.

(b) Provides that a person is not eligible to serve as a member of the board of directors of the district (director) if the person is a district employee.

SECTION 2. Amends Section 1049.053, Special District Local Laws Code, as follows:

Sec. 1049.053. New heading: RECORD OF OATH OR AFFIRMATION OF OFFICE. (a) Requires each director to qualify for office by taking the official oath of office and subscribing to the anti-bribery statement required by Section 1 (Official Oath of Office), Article XVI (General Provisions), Texas Constitution, rather than requires each director to qualify for office by executing a good and sufficient commercial bond for \$1,000 that is payable to the district and conditioned on the faithful performance of the director's duties.

(b) Redesignates existing Subsection (c) as Subsection (b). Requires each director's constitutional oath or affirmation of officer and anti-bribery statement to be maintained indefinitely in the district's records.

Deletes existing text requiring the district to pay for a director's bond. Deletes existing text requiring that each director's bond and constitutional oath or affirmation of office be deposited with the district's depository for safekeeping.

SECTION 3. Amends Section 1049.104, Special District Local Laws Code, as follows:

Sec. 1049.104. HOSPITAL SYSTEM. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes the hospital system to include certain facilities.

SECTION 4. Amends Section 1049.105(a), Special District Local Laws Code, to authorize, rather than require, the board to adopt rules for the efficient operation of the district, rather than including district facilities.

SECTION 5. Amends Section 1049.151, Special District Local Laws Code, as follows:

Sec. 1049.151. BUDGET. (a) Requires the board to prepare an annual budget that includes certain expenditures, receipts, and taxes.

(b) Authorizes the board to delegate the duty to prepare a budget to another person.

SECTION 6. Amends the heading to Section 1049.152, Special District Local Laws Code, as follows:

Sec. 1049.152. PROPOSED BUDGET: NOTICE; HEARING; ADOPTION.

SECTION 7. Amends Section 1049.152, Special District Local Laws Code, by adding Subsections (d) and (e), as follows:

(d) Authorizes the board to make a change to the proposed budget at the hearing.

(e) Requires the board, at the conclusion of the hearing, to adopt a budget by acting on the proposed budget.

SECTION 8. Amends Subchapter D, Chapter 1049, Special District Local Laws Code, by adding Section 1049.1525, to authorize the board to amend a budget after it has been adopted.

SECTION 9. Amends Section 1049.153, Special District Local Laws Code, as follows:

Sec. 1049.153. FISCAL YEAR. (a) Authorizes the board to establish the district's fiscal year, rather than providing that the district's fiscal year is from October 1 to September 30.

(b) Prohibits the district's fiscal year from being changed during a period in which district revenue bonds are outstanding or more than once in a 24-month period.

SECTION 10. Amends Section 1049.155, Special District Local Laws Code, as follows:

Sec. 1049.155. DEPOSITORY. (a) Requires the board by resolution to designate a bank in this state, rather than in Kimble County, as the district's depository. Provides that a designated bank serves as the district's depository for a period not to exceed five, rather than two years, as stated in the designation and until a successor is designated.

(b) Requires that all district money, other than money invested in accordance with Chapter 2256 (Public Funds Investment), Government Code, be deposited in the depository and secured in accordance with Chapter 2257 (Collateral for Public Funds), Government Code, rather than in the manner provided for securing county funds.

(c) Requires the board, before the board designates a bank to serve as the district's depository under Subsection (a), to solicit bids from eligible banks to determine which bank to designate as the district's depository.

(d) Requires the board, in designating as the district's depository a bank from among the banks that submitted bids in response to a solicitation under Subsection (c), to consider criteria adopted by the board, including the level of service offered by the bank, the return on short-term and long-term funds by the bank, and the cost of bank services.

SECTION 11. Repealers: Sections 1049.105(b) (relating to requiring the board to publish and provide certain information) and 1049.154(b) (relating to requiring the board, not later than December 1 of each year, to file a copy of the audit with the comptroller and the district), Special District Local Laws Code.

SECTION 12. Effective date: upon passage or September 1, 2025.