

By: Hefner

H.B. No. 5663

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Wood County Central Hospital District of Wood County, Texas, to provide brain and memory care services to residents of the hospital district through the creation and operation of brain and memory health care services districts.

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

SECTION 1. Subchapter C, Chapter 1116, Special District Local Laws Code, is amended by adding Section 1116.111 to read as follows:

Sec. 1116.111. PROVISION AND FINANCING OF BRAIN AND MEMORY HEALTH CARE SERVICES. (a) The district may provide brain and memory health care services, including by contract in the manner prescribed by Subchapter I.

(b) The district's provision of brain and memory health care services does not prohibit another political subdivision of this state from providing, or taxing to provide for, brain and memory health care services inside the boundaries of the district, as provided by Section 13, Article IX, Texas Constitution.

(c) Brain and memory health care services provided by the district, or by a brain and memory health care services district created by the board under Subchapter I, including property used to provide those services, are a hospital project for purposes of Chapter 223, Health and Safety Code.

SECTION 2. Chapter 1116, Special District Local Laws Code,

is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. BRAIN AND MEMORY HEALTH CARE SERVICES DISTRICT

Sec. 1116.401. PURPOSE OF SUBCHAPTER. The purpose of this subchapter is to authorize the Wood County Central Hospital District of Wood County, Texas, to create a special district to provide brain and memory health care services to residents of the hospital district.

Sec. 1116.402. DEFINITIONS. In this subchapter:

(1) "Hospital district" means the Wood County Central Hospital District of Wood County, Texas.

(2) "Hospital district board" means the board of directors of the hospital district.

(3) "Special district" means a brain and memory health care services district created under this subchapter.

(4) "Special district board" means the board of directors of a special district.

(5) "Special district director" means a member of a special district board.

Sec. 1116.403. CREATION OF SPECIAL DISTRICT. (a) The hospital district board may adopt an order creating a special district.

(b) The order creating the special district must:

(1) contain specific provisions; and

(2) define the boundaries of the special district to be coextensive with the boundaries of the hospital district as those boundaries exist on the date the order creating the special district is adopted.

1 Sec. 1116.404. SPECIAL DISTRICT BOARD; TERMS; VACANCY. (a)
2 The special district board consists of seven special district
3 directors appointed by the hospital district board.

4 (b) Special district directors serve staggered two-year
5 terms, with three or four of the special district directors' terms,
6 as appropriate, expiring each year.

7 (c) In making the initial appointment of special district
8 directors, the hospital district board shall appoint three special
9 district directors to serve a one-year term and four special
10 district directors to serve a two-year term. All successor special
11 district directors serve two-year terms.

12 (d) A vacancy in the office of special district director is
13 filled for the unexpired term in the same manner as the original
14 appointment.

15 Sec. 1116.405. OFFICERS. (a) The special district board
16 shall select from among the special district directors a president.

17 (b) The special district board shall appoint a secretary,
18 who need not be a special district director.

19 (c) An officer of the special district board serves in that
20 capacity for a term of one year.

21 (d) The special district board shall fill a vacancy in a
22 special district board office for the unexpired term.

23 Sec. 1116.406. QUALIFICATIONS FOR OFFICE. (a) To be
24 eligible to serve as a special district director, a person must be a
25 resident of the hospital district.

26 (b) An employee of the special district or the hospital
27 district may not serve as a special district director.

1 Sec. 1116.407. COMPENSATION. (a) Special district
2 directors and board officers serve without compensation but may be
3 reimbursed for actual expenses incurred in the performance of
4 official duties.

5 (b) Expenses reimbursed under this section must be:

6 (1) reported in the minute book or other records of the
7 special district; and

8 (2) approved by the special district board.

9 Sec. 1116.408. SPECIAL DISTRICT ADMINISTRATOR; ASSISTANT
10 ADMINISTRATOR. (a) The special district board shall appoint a
11 qualified person as special district administrator.

12 (b) The special district board may appoint assistant
13 administrators.

14 (c) The special district administrator and any assistant
15 administrator serve at the will of the special district board and
16 are entitled to the compensation determined by the special district
17 board.

18 Sec. 1116.409. CONTRACT WITH HOSPITAL DISTRICT. (a) The
19 special district and the hospital district shall enter into a
20 contract under which the special district will provide brain and
21 memory health care services to the residents of the hospital
22 district.

23 (b) The contract must:

24 (1) state the term of the contract;

25 (2) specify the purpose, terms, rights, and duties of
26 the special district, as authorized by this subchapter;

27 (3) specify the financial contributions to be made by

each party to the contract to fund the special district; and

(4) if applicable, specify the land, buildings, improvements, equipment, and other assets owned by a party to the contract that the special district will be required to manage and operate.

(c) Chapter 791, Government Code, does not apply to a contract made under this subchapter.

Sec. 1116.410. TRANSFER OF CERTAIN RESPONSIBILITIES OF HOSPITAL DISTRICT. After a special district is created, the hospital district may transfer to the special district:

(1) management and operation of any real property, improvements, and equipment located wholly in the hospital district that are owned by the hospital district and used to provide brain and memory health care services, as specified in the contract under Section 1116.409; and

(2) operating funds and reserves for operating expenses and funds that have been budgeted by the hospital district to provide brain and memory health care services for residents of the hospital district, as specified in the contract under Section 1116.409.

Sec. 1116.411. POWERS OF SPECIAL DISTRICT; COLLABORATION WITH NONPROFIT. (a) A special district may, if necessary to provide brain and memory health care services to the residents of the hospital district:

(1) acquire and hold title to, construct, operate, manage, and maintain real property, including improvements to real property;

1 (2) acquire, operate, manage, and maintain equipment
2 and other personal property;

3 (3) enter into and perform contracts;

4 (4) appoint and employ officers, agents, and
5 employees;

6 (5) sue and be sued;

7 (6) seek and accept gifts, grants, and donations; and

8 (7) perform other acts necessary to accomplish the
9 purpose of the special district.

10 (b) A special district may collaborate with a nonprofit
11 entity to provide health services related to brain and memory
12 health care to residents of the hospital district.

13 Sec. 1116.412. RULES. The special district board may adopt
14 rules governing the operation of the special district and the
15 duties, functions, and responsibilities of the staff and employees
16 of the special district.

17 Sec. 1116.413. SPECIAL DISTRICT FINANCES; PROHIBITION ON
18 AUTHORITY TO IMPOSE TAXES OR ISSUE BONDS. (a) The hospital
19 district shall provide funding for the operation of the special
20 district as specified in the contract under Section 1116.409.

21 (b) The special district may not impose a tax or issue bonds
22 or other obligations.

23 Sec. 1116.414. SPECIAL DISTRICT BUDGET. (a) The special
24 district administrator shall prepare an annual budget for approval
25 by both the special district board and the hospital district board.

26 (b) The proposed budget must contain a complete financial
27 statement of:

1 (1) the outstanding obligations of the special
2 district;

3 (2) the cash on hand in each depository account held by
4 the special district;

5 (3) the money received by the special district from
6 all sources during the previous year;

7 (4) the money available to the special district from
8 all sources during the year for which the budget is prepared;

9 (5) the estimated balance of each account held by the
10 special district at the end of the year for which the budget is
11 prepared;

12 (6) the estimated revenue available to cover the
13 proposed budget; and

14 (7) the proposed expenditures and disbursements and
15 the estimated receipts and collections for the year following the
16 year for which the budget is prepared.

17 (c) The special district board shall provide in each annual
18 budget for the payment of all operation and maintenance expenses of
19 the special district.

20 Sec. 1116.415. NOTICE; HEARING; APPROVAL OF BUDGET. (a)
21 The special district board shall hold a public hearing on the
22 proposed annual budget.

23 (b) At least 10 days before the date of the hearing, the
24 special district board shall publish notice of the hearing in a
25 newspaper of general circulation in the hospital district.

26 (c) Any resident of the hospital district may be present and
27 participate at the hearing.

1 (d) At the conclusion of the hearing, the special district
2 board shall approve the budget proposed by the special district
3 administrator or approve a version of that budget with any
4 modifications the board determines are in the best interest of the
5 residents of the hospital district and consistent with this
6 subchapter. The special district board shall submit the approved
7 budget to the hospital district board for final approval.

8 (e) The budget is effective only after approval by the
9 special district board and the hospital district board.

10 Sec. 1116.416. AMENDMENTS TO BUDGET. The budget may be
11 amended as necessary if the amendment is approved by the special
12 district board and the hospital district board.

13 Sec. 1116.417. RESTRICTION ON EXPENDITURES. Money of the
14 special district may be spent only for an expense included in the
15 budget or in an amendment to the budget.

16 Sec. 1116.418. FISCAL YEAR. The special district operates
17 according to a fiscal year that begins on October 1 and ends on
18 September 30. The special district board may change the fiscal
19 year.

20 Sec. 1116.419. AUDIT. The special district board shall
21 have an independent audit made of the financial condition of the
22 special district for each fiscal year.

23 Sec. 1116.420. INSPECTION OF AUDIT AND SPECIAL DISTRICT
24 RECORDS. The audit and other special district records shall be open
25 to inspection at the principal office of the hospital district.

26 Sec. 1116.421. FINANCIAL REPORT. As soon as practicable
27 after the close of each fiscal year of the special district, the

1 special district administrator shall prepare for the special
2 district board:

3 (1) a complete sworn statement of all special district
4 money; and

5 (2) a complete account of all disbursements of special
6 district money.

7 Sec. 1116.422. DISSOLUTION OF SPECIAL DISTRICT. The
8 hospital district board may by order dissolve the special district.

9 Sec. 1116.423. ADMINISTRATION OF PROPERTY, DEBTS, AND
10 ASSETS AFTER DISSOLUTION. (a) After dissolution of a special
11 district under Section 1116.422, the special district board shall
12 continue to control and administer any property, debts, and assets
13 of the special district only until all funds have been disposed of
14 and all special district debts have been transferred as provided by
15 this section or paid or settled.

16 (b) If the special district board determines that the
17 property and assets of the special district are insufficient to pay
18 the debts of the special district, the special district board shall
19 transfer the remaining debts to the hospital district.

20 (c) If after complying with Subsection (b) the special
21 district board determines that unused funds remain, the special
22 district board shall transfer the unused funds to the hospital
23 district.

24 Sec. 1116.424. ACCOUNTING AFTER DISSOLUTION. After the
25 special district has transferred or paid all the debts of the
26 special district and has disposed of all assets and funds as
27 prescribed by Section 1116.423, the special district board shall

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1 provide an accounting to the hospital district. The accounting
2 must show the manner in which the assets and debts of the special
3 district were distributed.

4 SECTION 3. This Act takes effect September 1, 2025.