(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(d) The policies adopted under this section must be approved by the district medical staff. The district medical staff and the board shall jointly develop and implement a conflict management policy to resolve any conflict between a medical staff policy and a board policy.

(e) For all matters relating to the practice of medicine, each physician employed by the district shall ultimately report to the chief medical officer of the district.

(f) The chief medical officer shall notify the Texas Medical Board that the board is employing physicians under this section and that the chief medical officer is the board's designated contact with the Texas Medical Board. The chief medical officer shall immediately report to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) The board shall give equal consideration regarding the issuance of medical staff membership and privileges to physicians employed by the district and physicians not employed by the district.

(h) A physician employed by the district shall retain independent medical judgment in providing care to patients and may not be disciplined for reasonably advocating for patient care.

(i) If the district provides professional liability coverage for physicians employed by the district, a physician employed by the district may participate in the selection of the professional liability coverage, has the right to an independent defense at the physician's own cost, and retains the right to consent to the settlement of any action or proceeding brought against the physician.

(j) If a physician employed by the district enters into an employment agreement that includes a covenant not to compete, the agreement is subject to Section 15.50, Business & Commerce Code.

(k) The board may not delegate to the chief executive officer of the district the authority to hire a physician.

(l) This section applies to medical services provided by a physician at a hospital or other health care facility owned or operated by the district.

(m) The authority granted to the board under this section to employ physicians shall apply as necessary for the district to fulfill the district's statutory mandate to provide medical care for the indigent and needy residents of the district as provided by Section 1069.101.

(n) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed by the House on April 25, 2013: Yeas 136, Nays 0, 2 present, not voting; passed by the Senate on May 15, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 293

H.B. No. 1256

AN ACT

relating to the donation of office space owned by a legislator or a legislator's business for use as the legislator's district office.
Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 572.057, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsection (d), a member of the legislature, an executive or judicial officer elected in a statewide election, or a business entity in which the legislator or officer has a substantial interest may not lease any office space or other real property to the state, a state agency, the legislature or a legislative agency, the Supreme Court of Texas, the Court of Criminal Appeals, or a state judicial agency.

(d) A member of the legislature or a business entity in which the legislator has a substantial interest may donate the use of office space that the member or entity owns and that is located in the member's district to the house of the legislature in which the member serves to be used for the member's official business. Office space donated under this subsection is not a contribution for purposes of Title 15, Election Code. Acceptance of a donation of office space under this subsection is not subject to Section 301.032.

SECTION 2. This Act takes effect September 1, 2013.

Passed by the House on May 8, 2013: Yeas 147, Nays 0, 2 present, not voting; passed by the Senate on May 17, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 294

H.B. No. 1259

AN ACT
relating to the dissolution of the Cisco Hospital District; authorizing the imposition of a tax.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 30, Acts of the 59th Legislature, Regular Session, 1965, is amended by adding Section 7A to read as follows:

Sec. 7A. (a) The District may be dissolved only on approval of a majority of the voters of the District voting in an election held for that purpose.

(b) The board of directors of the District may order an election on the question of dissolving the District and disposing of the assets and obligations of the District.

(c) The board of directors shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the District.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition to appear on the ballot;
(2) the date of the election;
(3) the hours during which the polls will be open; and
(4) the location of the polling places.

(e) The board of directors shall give notice of an election under this section by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the District.

(f) The first publication of the notice must appear not later than the 35th day before the date set for the election.

(g) The ballot for an election under this section must be printed to permit voting for or against the proposition: “The dissolution of the Cisco Hospital District.”

(h) If a majority of the votes in an election under this section favor dissolution, the board of directors shall find that the District is dissolved.