

## **BILL ANALYSIS**

Senate Research Center  
76R10083 MXM-F

C.S.S.B. 1595  
By: Brown  
Intergovernmental Relations  
3/25/1999  
Committee Report (Substituted)

### **DIGEST**

The Act creating the Angleton-Danbury Hospital District (district) was passed by the 60th Legislature in 1967, to provide health care services to the district's residents. In 1991, the Act was amended. However, more changes are needed to expand health care services, including funding and equipping clinics and wellness centers, funds to recruit physicians, a financing option to issue revenue bonds and borrow funds needed for the operation of the district. C.S.S.B. 1595 would revise the Angleton-Danbury Hospital District of Brazoria County legislation for the continued operation and growth of the district to provide vital health care services to its residents.

### **PURPOSE**

As proposed, C.S.S.B. 1595 updates legislation for expansion of health care services in the Angleton-Danbury Hospital District of Brazoria County.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to require the Angleton-Danbury Hospital District (district) to provide for the establishment of a hospital or hospital system within its boundaries to furnish health care services, rather than medical and hospital care, to persons residing in the district. Authorizes the hospital system to include facilities, and equipment to provide for domiciliary care and treatment of sick, injured, or geriatric patients, outpatient clinics, rural health clinics, convalescent home facilities, assisted living or personal care facilities, physician's offices, home health care services, durable medical equipment, long term care, skilled nursing care, intermediate nursing care, preventive care services, ancillary support, pharmacies, hospice care, community mental health centers, alcohol or chemical dependency centers, or any other facility or equipment the Angleton-Danbury Hospital District Board of Directors (board) considers necessary or appropriate for providing health care services. Authorizes the district to also operate or assist in the operation of a mobile emergency medical service as part of the hospital system.

SECTION 2. Amends Section 4, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to delete text regarding taxable property; names of the district's first board of directors; and board of directors' election. Makes conforming changes.

SECTION 3. Amends Section 7A, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to authorize the district, subject to the approval of the board, to provide primary care, emergency services, preventive medical services, and other health-related services outside the district, provided that the services serve the purpose of the district as established by this Act. Authorizes the board to spend district funds, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or employees of the district, including certain marketing and recruitment incentives. Authorizes the board to provide retirement benefits for employees of the district by establishing or administering a retirement program or by participating in the Texas County and District Retirement System or in another statewide retirement system in which the district is eligible to participate. Makes a conforming change.

SECTION 4. Amends Section 9, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to provide that the Tax Code governs the appraisal, assessment, and collection of district taxes. Authorizes

the board to provide for the appointment of an assessor-collector of taxes as provided by the Tax Code. Deletes existing section regarding tax property for the district and tax collection.

SECTION 5. Amends Section 12, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to require notice of a bond election to be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation within the area of the district as provided by Section 4.003(a)(1), Election Code, rather than once a week for two consecutive weeks or at least 14 days prior to the date set for the election. Deletes text regarding taxable property within a district.

SECTION 6. Amends Section 12A, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to authorize the board to issue revenue bonds for the purpose of purchasing, constructing, repairing, renovating, or acquiring buildings, sites, or improvements and equipping the same for hospitals and the hospital system. Requires the bonds to be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system. Authorizes the bonds to be additionally secured by a mortgage or deed of trust on all or part of district property. Requires the district to issue revenue bonds in accordance with Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code.

SECTION 7. Amends Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 12B, as follows:

Sec. 12B. Authorizes the board of directors to borrow money for district obligations. Authorizes the board to pledge certain district revenues or taxes to secure a loan. Requires a loan for which taxes or bonds are pledged to mature, no later than the first anniversary of the date on which the loan is made. Requires a loan for which district revenues are pledged to mature, no later than the fifth anniversary of the date on which the loan is made.

SECTION 8. Amends Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 20, as follows:

Sec. 20. Authorizes the district to be dissolved, only if the dissolution is approved by a majority of the qualified voters of the district voting in an election called and held for that purpose. Authorizes the board to order an election on the question of dissolving the district and disposing of the district's assets and obligations. Requires the board to order an election, if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district. Requires the election to be held no later than the 60th day after the date the election is ordered. Provides that Section 41.001(a), Election Code, does not apply to an election ordered under this section. Requires the order calling the election to state certain information. Requires the board to give notice of the election by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks. Requires the first publication to appear no less than 35 days before the date set for the election. Sets forth standard language for the ballot to permit voting for or against the proposition. Requires the board of directors and that the district is dissolved, if a majority of the votes in the election favor dissolution. Requires the board to continue to administer the district, and another election on the question of dissolution from being held before the first anniversary of the most recent election to dissolve the district, if a majority of the votes in the election do not favor dissolution. Requires the board to transfer or administer certain assets, if a majority of the votes in the election favor dissolution. Provides that the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved, if the district transfers the land, buildings, improvements, equipment, and other assets to Brazoria County or another governmental agency, the county or agency assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved. Sets forth requirements for the board, after the board finds that the district is dissolved. Requires the board to order the secretary to return the pro rata share of all unused tax money to each district taxpayer, when all outstanding debts and obligations of the district are paid. Authorizes a taxpayer to request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. Requires the board to direct the secretary to transmit the funds to the county tax assessor-collector, if a taxpayer requests the credit. Requires the board to file a written report with the commissioners court of Brazoria County setting forth a summary of the board's actions in dissolving the district, after the district has paid all its debts and has disposed of all its assets and funds as prescribed by this section. Requires the commissioners court of Brazoria County to enter an order dissolving the

district and releasing the board of the district from any further duty or obligation, by a certain date. Prohibits the district from being dissolved unless the board provides for the sale or transfer of the district's assets or liabilities to another person or entity, notwithstanding any other provisions of this section. Prohibits the dissolution of the district and the sale or transfer of the district's assets or liabilities from contravening a trust indenture or bond resolution relating to the outstanding bonds of the district. Provides that the dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district. Requires the sale or transfer of the district's assets and liabilities to satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district. Provides that a grant from federal funds is an obligation to be repaid in satisfaction. Prohibits the district from transferring or disposing of the district's assets except for due compensation unless the transfer is made to another governmental entity that serves the district and the transferred assets are to be used for the benefit of the residents of the district.

SECTION 9. Effective date: September 1, 1999.

SECTION 10. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

Relating clause.

Amends the relating clause regarding the operation of the Angleton-Danbury Hospital District of Brazoria County, Texas.

SECTION 1.

Amends Section 2, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to delete text regarding services. Makes conforming changes.

SECTION 3.

Amends Section 7A, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967.

SECTION 4.

Amends Section 9, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967.

SECTION 5.

Amends Section 12, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, to delete text regarding in accordance with the Election Code.

SECTION 6.

Amends Section 12A, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, by adding Subsection (e), to authorize the board to issue revenue bonds. Requires the district to issue revenue bonds. Deletes existing Subsections (a)-(d). Deletes a requirement for the issuance of revenue bonds by county hospital authorities.

SECTION 7.

Amends Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 12B, regarding the board borrowing money for district obligations. Deletes proposed Section 12C. Makes conforming changes.

**SECTION 8.**

Amends Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 20, to make conforming changes. Redesignated from existing SECTION 9.