

BILL ANALYSIS

Senate Research Center
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S.B. 1627
By: Haywood
Intergovernmental Relations
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As Filed

DIGEST

The Act creating the Castro County Hospital District passed in 1961 has not been amended since its passage, and no longer accurately reflects the needs of the district. S.B. 1627 would establish conditions regarding the Castro County, Hansford County, and Ochiltree County hospital districts.

PURPOSE

As proposed, S.B. 1627 establishes conditions regarding the Castro County, Hansford County, and Ochiltree County hospital districts.

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 103, Acts of the 57th Legislature, Regular Session, 1961, to delete text regarding qualified property taxpaying.

SECTION 2. Amends Section 3, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to prohibits an employee or a medical staff member of the Ochiltree County or Castro County Hospital District from serving as a director of the respective district. Requires the board of directors of the Castro County Hospital District to organize by electing from the membership of the board one member to serve as president, and one member to serve as secretary. Requires a regular election of directors to be held on the first Saturday in May of each year and notice of such election to be published in general circulation in the county one time not later than the 30th day or later than the 10th day, rather than at least 10 days prior, before the date of the election. Requires a person wishing to be on the ballot as a director of the Ochiltree County Hospital District to file a petition not later than the 25th day before, rather than at least 25 days prior to, the date of the election. Deletes text regarding land subject to taxation. Makes conforming and nonsubstantive changes.

SECTION 3. Amends Section 3A(a), Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to provide that this section applies only to the Ochiltree County and Castro County hospital districts.

SECTION 4. Amends Section 4, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make a conforming change.

SECTION 5. Amends Section 5, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to require the board of directors of the Ochiltree County or Hansford County Hospital District, upon creation of such hospital district, to have certain powers and duties. Makes conforming changes.

SECTION 6. Amends Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, by adding Section 5A, as follows:

Sec. 5A. Provides that this section applies only to the Castro County Hospital District. Authorizes the board of directors to annually impose property taxes in an amount not to exceed the certain approved limits. Prohibits the tax rate for all purposes from exceeding 75 cents on each \$100 valuation of all taxable property in the district. Sets forth indebtedness and expenses for which the taxes may be used to pay. Prohibits the district from imposing taxes to pay the principal of or interest on revenue bonds issued by the district. Provides that the Tax Code

governs the appraisal, assessment, and collection of district taxes. Authorizes the board of directors to provide for the appointment of a tax assessor-collector for the district or to contract for the assessment and collection of taxes.

SECTION 7. Amends Section 6, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to require the board of directors to have the power and authority to issue and sell general obligation bonds in the name and upon the faith and credit of such hospital district for certain improvements regarding the hospital. Prohibits taxes levied, at the time of issuance of any general obligation bond, by the Castro County Hospital District from exceeding the limit approved by voters at the election authorizing the levy of taxes. Requires refunding of bonds issued by Castro County Hospital District to be issued in a specific manner. Deletes text regarding legally qualified property taxpaying. Makes conforming changes.

SECTION 8. Amends Section 6A, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, by amending Subsection (a) and adding Subsection (b), to authorize the board of directors of the Castro County Hospital District to issue revenue bonds in the name and on the faith and credit of the district for certain purposes relating to hospital improvements and expansion. Requires the revenue bonds to be payable from and secured by a pledge of all or part of the hospital district's operations revenues. Authorizes the bonds to also be secured by a mortgage or deed of trust on all or part of the district's property. Sets forth the manner in which the bonds must be issued. Makes conforming changes.

SECTION 9. Amends Section 6B, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 10. Amends Section 7, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 11. Amends Sections 8(b), (c), and (d), Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 12. Amends Section 8A, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, by amending Subsections (f) through (l), to authorize the district, subject to the approval of the board of directors, to provide certain medical and health related services provided that the services serve the purpose of the district as established by this Act. Authorizes the board of directors to contract with a political subdivision or governmental agency to provide investigatory or other services related to facilities for the medical care, hospital, or welfare needs of the inhabitants of the district to contract with certain entities to be reimbursed for the care and treatment of the sick, diseased, or injured persons of that entity. Authorizes the board of directors to also contract with the state or agencies of the federal government to be reimbursed for the treatment of the sick, diseased, or injured. Authorizes the district to contract with, affiliate with, or enter into another arrangement with certain health care organizations or systems. Authorizes the district to sponsor and create a nonprofit corporation and to contribute funds to or solicit funds for the corporation. Authorizes the corporation to use certain funds only to provide health care or other services the district may provide. Requires the board of directors of the hospital to establish adequate controls to ensure that the corporation uses its funds as required. Authorizes the corporation to invest its funds in any manner in which the district may invest funds. Authorizes the board of directors to spend district funds, enter into agreements, and take certain necessary action to recruit physicians and other persons to serve as medical staff members or employees of the district. Authorizes the board of directors to enlist necessary measurements to assist in providing health care educational programs for current or prospective medical staff members or employees of the district. Authorizes the board of directors to provide certain retirement benefits for employees of the district.

SECTION 13. Amends Section 9, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 14. Amends Section 14, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 15. Amends Section 14A, Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, to make conforming changes.

SECTION 16. Amends Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, by adding Sections 16A and 21, as follows:

Sec. 16A. Provides that this section applies only to the Castro County Hospital District. Authorizes the board of directors to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time of the loan. Authorizes the board to make certain pledges to secure a loan. Requires a loan for which taxes are pledged to mature not later than first anniversary of the date on which the loan is made. Requires a loan for which district revenues are pledged to mature not later than fifth anniversary of the date on which the loan is made.

Sec. 21. Provides that this section applies only to the Castro County Hospital District. Authorizes the district to be dissolved only if in a specific election by a majority of the voters. Authorizes the board of directors to order an election regarding the dissolving of the district and the dissolution of its assets and obligations. Requires the board to order an election if it receives a petition requesting the dissolution that is signed by at least 15 percent of the registered voters in the district. Requires the election to be held not later than the 60th day after the date the election is ordered. Provides that Section 41.001(a), Election Code, does not apply to this section. Sets forth certain requirements with regard to the order calling the election. Requires the board to give notice of the election in a publication of general circulation once a week for two consecutive weeks, and to appear not less than 35 days before the date set for the election. Requires the ballot for the election to be printed to permit voting for or against the proposition. Establishes that the district is dissolved if a majority of the votes favor dissolution. Establishes that if the majority of votes do not favor dissolution, the board continues to administer the district and another election may not be held before the first anniversary of the most recent election to dissolve the board. Sets forth requirements for dissolution. Provides that if the district transfers certain entities to a county or other governmental agency, that county or agency assumes all debts and obligations upon dissolution. Sets forth requirements for the board after the district is dissolved. Requires the board, upon payment of all outstanding debts and obligations of the district are paid, to order the secretary to return the pro rata share of all unused tax money to each district taxpayer. Authorizes a taxpayer to request the taxpayer's share of the surplus to be credited to the taxpayer's county taxes, which requires the secretary to transmit the funds to the county tax assessor-collector. Requires the board to file a written report with the commissioners court of Castro County setting forth a summary of the board's actions in dissolving the district. Requires the commissioners court of Castro County, not later than the 10th day after the date it receives the report, to enter an order dissolving the district and releasing the board of directors from any further duty or obligation. Prohibits the district from being dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person or entity. Prohibits the dissolution of the district and the sale or transfer of the district's assets and liabilities from contravening a trust indenture or bond resolution relating to 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. Provides that transfer of assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects certain entities. Provides that a grant in 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 a governmental agency that serves the district and the transferred assets are to be used for the benefit of the residents of the district.

SECTION 17. Emergency clause.

Effective date: upon passage.