

BILL ANALYSIS

H.B. 4212
By: Hughes
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that Mineola, a fast-growing city in Wood County, lacks sufficient health care services. The parties further contend that, due to the existence of hospitals in nearby towns, the prospects for establishing a hospital in Mineola in the near future are slim. H.B. 4212 seeks to remedy this situation by providing for the creation of the Mineola Area Medical District.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4212 amends the Special District Local Laws Code to provide for the creation of the Mineola Area Medical District, subject to petition requirements and voter approval, and to specify that, if created, the district operates and is financed as a hospital district. The bill establishes that the district's boundaries are coextensive with the boundaries of the Mineola Independent School District. The bill prohibits the state from being obligated for the support or maintenance of the district and prohibits the legislature from making a direct appropriation for the construction, maintenance, or improvement of a district facility. The bill provides for the district's administration, including providing for temporary appointed directors and an elected board of directors and for the appointment of a district administrator, assistant district administrator, and attorney for the district. The bill, among other provisions, provides for district employees and employee retirement benefits and for the appointment and removal of medical staff.

H.B. 4212 sets out provisions relating to the district's powers and duties, including full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents. The bill requires the board to manage, control, and administer the hospital system and the money and resources of the district and authorizes the board to adopt rules governing the operation of the hospital and hospital system and rules governing the duties, functions, and responsibilities of district staff and employees. The bill, among other provisions, authorizes the district to operate or provide for certain health services; authorizes the board to enter into operating and management contracts, service contracts, and construction contracts; provides for payment for the treatment of a patient who resides in the district and reimbursement for services provided to a nondistrict resident; and authorizes the board to sue and be sued on the district's behalf. The bill, if it receives a two-thirds vote of all the members elected to each house, authorizes the district to exercise the power of eminent domain to acquire a fee simple or

other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by the bill and provides for the district's exercise of the power of eminent domain.

H.B. 4212 sets out general financial provisions for the district, including provisions relating to the district's budget, annual audit, debt limitation, and restriction on investment. The bill, subject to certain requirements, authorizes the board to issue and sell general obligation bonds and issue revenue bonds and requires the board to impose a property tax. The bill exempts bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds from taxation by the state or by a political subdivision of the state. The bill caps the tax rate on all taxable property in the district for all purposes at 75 cents on each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district. The bill provides for the dissolution of the district.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.