

BILL ANALYSIS

Senate Research Center

H.B. 2066
By: Patterson (Ratliff)
Intergovernmental Relations
4-20-97
Engrossed

DIGEST

Currently, the Hopkins County Hospital District (district) does not have the statutory authority to become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation. The inability of the district to establish a 501(A) corporation may place it at a competitive disadvantage as managed care evolves over the next few years. Additionally, many of the district's competitors have already formed such organizations in the interest of keeping up with the evolution of managed care. This bill would authorize the district to become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation.

PURPOSE

As proposed, H.B. 2066 authorizes the Hopkins County Hospital District to become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation.

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 Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 6B, as follows:

Sec. 6B. Authorizes the Hopkins County Hospital District (district) to become a member of a nonprofit corporation or enter into an agreement with a nonprofit corporation to serve the purposes of this Act. Authorizes the district, under an agreement with a nonprofit corporation, to require the nonprofit corporation to grant the district the power to appoint one or more members of the board of directors of the nonprofit corporation; the nonprofit corporation obtain the consent of the district before making changes in the corporation's articles of incorporation or bylaws or before taking other action; and the district shall receive all or a portion of the net assets of the nonprofit corporation on the corporation's dissolution, merger, or consolidation. Provides that the district is not liable for any debt, obligation, or other liability of the nonprofit corporation. Provides that this section does not affect the district's authority to make payments to or otherwise provide funds to the nonprofit corporation.

SECTION 2. Emergency clause.
Effective date: upon passage.