

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 3456  
By: Chisum (Bivins)  
Intergovernmental Relations  
5-1-97  
Committee Report (Substituted)

### **DIGEST**

Currently, hospital districts are set up with very specific rules that must be changed through legislation. Concern has been raised that the laws governing the Hansford County Hospital District (district) need to be fine-tuned to improve the efficiency of both the district and its board of directors (board). C.S.H.B. 3456 changes the enabling legislation of the Hansford County Hospital District regarding election of the board of directors; district tax assessment and collection; the authority of the board to oversee ancillary health care; the board's authority to indemnify certain staff and board members; the board's discretion for facilities inside and outside the district; the board's ability to enter contracts and lease facilities, equipment, or property; the district's ability to issue, sell, and deliver obligations and execute credit agreements; the board's authority to make competitive bids on construction contracts; the board's ability to recruit, train, and advertise for medical staff; the board's ability to provide day-care; and the board's ability to make investments.

### **PURPOSE**

As proposed, C.S.H.B. 3456 establishes provisions regarding the Hansford County Hospital District.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the board of directors of the Hansford County Hospital District in SECTION 3 (Section 5(a), Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 4(b) and (c), Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to require an election on the question of whether the directors of the Hansford County Hospital District (district) shall thereafter be elected to be called within a certain time after the presentation of a petition and notice, given as provided in Article 704, V.T.C.S., rather than in Article 704, Revised Civil Statutes of Texas, 1925, as amended. Requires a regular election for directors to be held on the first Saturday in May, rather than April, of each year. Deletes existing text requiring members of the board of directors of the Hansford County Hospital District (board) to be freeholders. Provides that Chapter 2C, Election Code, applies to the election of unopposed candidates for the board.

SECTION 2. Amends Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 4A, as follows:

Sec. 4A. Prohibits a write-in vote, in a general or special election of directors, from being counted unless the name written in appears on the list of write-in candidates. Sets forth the procedure regarding write-in candidacy. Provides that Chapter 146B, Election Code, applies to write-in voting in an election of directors except to the extent of a conflict with this section.

SECTION 3. Amends Section 5, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to provide that in no event shall any operating, depreciation, or building funds, rather than fund reserves, be invested in any funds or securities other than those specified in Articles 836 and 837, V.T.C.S., or Chapter 2256, Government Code. Provides that the board is given full authority to

establish rules and regulations relating to seniority of employees of the district, and is authorized to give effect to previous years of service for those employees who have been continuously employed in certain ancillary health care facilities. Sets forth the terms by which the district is required to promulgate rules and regulations governing ancillary health care facilities, ancillary health care system, and the duties, functions, and responsibilities of certain district staff and agents. Sets forth the terms by which the board is required to appoint administrators or managers of the district or of the ancillary health care facilities, and may appoint assistants to those persons. Sets forth the terms by which the board is required to be authorized to provide health care services outside its boundaries and to have the authority to contract with another state or a political subdivision of this state or another state. Sets forth the terms by which the board is authorized to defend or indemnify certain individuals against or for certain liability, claims, or expenses. Authorizes the board to purchase and maintain certain insurance coverage to fund such indemnification. Makes conforming changes.

SECTION 4. Amends Section 6, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to make conforming changes.

SECTION 5. Amends Section 7, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to make conforming changes.

SECTION 6. Amends Section 8(b), Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to require certain revenue bonds to be issued in accordance with the procedures specified in certain sections of the Health and Safety Code, rather than in certain sections of Article 4494r, V.T.C.S.

SECTION 7. Amends Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 8A, as follows:

Sec. 8A. Authorizes the district to issue, sell, and deliver obligations of the district and execute corresponding credit agreements in a certain manner.

SECTION 8. Amends Section 9, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to provide that the board is hereby given complete discretion as to the type of buildings, both as to number and location, either inside or outside the district, required to establish and maintain an adequate hospital and ancillary health care services system. Authorizes the systems to include certain facilities and equipment, and to enter into an operating or managing contract with a public or private entity with regard to any part or all of its facilities, equipment, or services. Authorizes the board to lease all or part of its buildings, facilities, or equipment, provided that in no event shall any lease be for a period in excess of 25 years from the date on which the lease is made, rather than entered. Sets forth the terms by which the district is required to be empowered to sell, lease, or otherwise dispose of any real or personal property or equipment, provided that in no event shall the board be authorized to sell or dispose of any real property unless the board finds that the sale, lease, or disposition is in the best interests of the district's inhabitants. Makes conforming changes.

SECTION 9. Amends Section 10, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to authorize all contracts for construction involving the expenditure of more than \$10,000, rather than \$2,000, to be made only after advertising in a certain manner. Establishes that certain provisions of Chapter 2253, Government Code, rather than those of Article 5160, Revised Civil Statutes of Texas, 1925, as amended, are required to apply to construction contracts let by the district. Authorizes the district to acquire by purchase, lease, or lease to purchase equipment for use in its hospital system, and mortgage or pledge the property so acquired as security. Makes conforming changes.

SECTION 10. Amends Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 10A, as follows:

Sec. 10A. Authorizes the board to spend district funds, enter into agreements, and take other necessary action to recruit certain persons to serve on the district's medical staff or for district employment; to provide health care and professional educational, development, or retraining

programs for certain staff and employees; and to lease or purchase facilities, supplies, equipment, and provide day-care services for certain staff and employees.

SECTION 11. Amends Section 11, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to provide that nothing shall limit the power of the board to make other investments as authorized by Chapter 2256, Government Code.

SECTION 12. Amends Section 14, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to prohibit the district from being required to make deposits in the registry of the trial court of the sum required by Section 21.021, Property Code, rather than Paragraph 2, Article 3268, Revised Statutes of Texas, 1925, as amended.

SECTION 13. Amends Section 15, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to provide that the Tax Code governs the appraisal, assessment, and collection of district taxes. Deletes existing text regarding assessment and collection of district taxes. Authorizes the board to provide for the appointment of a tax assessor-collector for the district or to contract for the assessment and collection of taxes as provided by the Tax Code. Authorizes the district to borrow a certain amount of money to pay for operating expenses, and to pledge all or part of the taxes or other revenues received during that fiscal year to repay the indebtedness.

SECTION 14. Amends Section 17, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to require the care and treatment of a patient, if the district administrator or manager finds that such patient or said relatives are not able to pay either in whole or in part for the care and treatment provided to the patient by the district and that payment is not available from any other source, to become a charge upon the district. Makes conforming changes.

SECTION 15. Amends Section 18, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to make conforming changes.

SECTION 16. Amends Section 19, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to authorize the district to assume full responsibility for providing ancillary health care services for the indigent residents of the district, and to operate or provide for the operation of a mobile emergency medical service. Makes a conforming change.

SECTION 16. Amends Section 19, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to make conforming changes.

SECTION 17. Effective date: September 1, 1997.

SECTION 18. Emergency clause.

#### **SUMMARY OF COMMITTEE CHANGES**

##### SECTION 1.

Amends Section 4, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to provide that Chapter 2C, Election Code, applies to the election of unopposed candidates for the board.

##### SECTION 2.

Amends Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to change the filing date for a declaration of write-in candidacy. Deletes the proposed text regarding the election of unopposed candidates for the board.

##### SECTION 16.

Amends Section 19, Chapter 872, Acts of the 62nd Legislature, Regular Session, 1971, to make conforming changes.