

BILL ANALYSIS

Senate Research Center

H.B. 1111
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Intergovernmental Relations
5/13/1999
Committee Report (Amended)

DIGEST

Currently, Texas law enables hospital districts established after 1989 to organize according to set guidelines and to dissolve according to standard language. The Montgomery County Hospital District was organized prior to 1989 and does not contain dissolution language. This bill would establish procedures for the dissolution of the Montgomery County Hospital District.

PURPOSE

As proposed, H.B. 1111 establishes procedures for the dissolution of the Montgomery County Hospital District.

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 258, Acts of the 65th Legislature, Regular Session, 1977, by adding Sections 23A and 23B, as follows:

Sec. 23A. Authorizes the Montgomery County Hospital District's (district) board of directors (board) to order an election on the question of dissolving the district and disposing of its assets and obligations. Sets forth the required schedule for the election and the required format of the ballot. Requires the election to be held in accordance with the applicable provisions of the Election Code. Requires the board to: find that the district is dissolved; transfer the ambulance service and all real property that belongs to Montgomery County (county) not later than the 45th day after the election is held; and administer the property, assets, and debts in accordance with Subsections (g) - (k), if a majority of votes in the election favor dissolution. Requires the board to continue to administer the district if a majority does not favor dissolution, and prohibits another election to be held before the fourth anniversary of the most recent election to dissolve the district. Provides that the county assumes all debts and obligations of the district after accepting transferred ambulance service and related equipment, and other real property transferred under Subsection (e)(2). Requires the county to use all transferred assets to pay the outstanding debts and obligations of the district relating to the assets at the time of the transfer, or to furnish medical and hospital care for the needy residents of the county. Provides that the county should use the transferred assets in a manner that benefits residents of the county residing in the territory formerly constituting the district. Requires the board to continue to administer and control all property and assets not transferred and the related debts until all funds have been disposed of and all district debts have been paid or settled. Requires the board to determine the debt owed by the district and impose a property tax that is in proportion to the debt owed, after the board finds that the district is dissolved. Authorizes the district to institute a suit to enforce payment of taxes and to foreclose liens to secure the payment of taxes due the district. Sets forth procedures for the disposition of unused tax money that remains after all outstanding debts and obligations of the district are paid. Requires the county to use unused district money received under this section to furnish medical and hospital care for the needy residents of the county. Requires the board to file a written report with the Commissioners Court of Montgomery County (commissioners court) summarizing the board's actions taken in dissolving the district, after the district has paid all of its debts and transferred all its assets and obligations. Requires the commissioners court to enter an order dissolving the district within 10 days of receiving the written report and determining that all requirements have been fulfilled.

Sec. 23B. Requires the board to order an election on the question of dissolving the district if the board receives a petition requesting such an election and it is signed by 15 percent of the registered voters of the district. Sets forth the required schedule for such an election and the required format of the ballot. Requires the board to find that the district is dissolved if a majority of the votes in the election favor dissolution. Makes conforming changes.

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