

BILL ANALYSIS

Senate Research Center
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H.B. 3232
By: Keffer (Sibley)
Intergovernmental Relations
5/3/1999
Engrossed

DIGEST

Currently, the some aspects of the enabling legislation that created the Eastland Memorial Hospital District do not comply with the tax code and the Texas Election Code. This bill would set forth guidelines for the administration, operation, and election for dissolution of the Eastland Memorial Hospital District.

PURPOSE

As proposed, H.B. 3232 sets forth guidelines for the administration, operation, and election for dissolution of the Eastland Memorial 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 Section 4.04, Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require a notice of an election of directors of the Eastland Memorial Hospital District (directors) to be published in a newspaper not earlier than the 30th day or later than the 10th day before the date of the election, rather than at least 35 days before the date of an election of directors. Makes conforming changes.

SECTION 2. Amends Section 4.05, Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require a person who wishes to have their name printed on a ballot as a candidate for director to file an application, rather than have a petition signed by at least 200 registered voters of the Eastland Memorial Hospital District (district) asking that his name be placed on the ballot. Deletes a provision regarding the determination of a person's voter registration status. Makes a conforming change.

SECTION 3. Amends Section 4.12(d), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to authorize the board of directors of the district (board) to require that the administrator of the district (administrator), before assuming the administrator's, rather than his, duties, execute a bond payable to the district, conditioned on the faithful performance of those duties, rather than requiring the administrator to execute the bond. Makes conforming changes.

SECTION 4. Amends Section 5.02, Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to authorize the district to contract, for a maximum term of 25 years, to provide administrative and other personnel for the operation of the hospital facilities, and to institute a suit to enforce the payment of taxes and to foreclose liens to secure the payment of taxes due to the district.

SECTION 5. Amends Section 5.06(c), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to authorize the board to lease hospital facilities to individuals, corporations, or other legal entities.

SECTION 6. Amends Section 5.07(a), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, authorizes the board to enter into construction contracts that involve spending more than \$15,000, rather than \$10,000, only after competitive bidding.

SECTION 7. Amends Section 5.11(b), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require the district to adopt an application procedure to determine eligibility for assistance, as provided by Section 61.053, Health and Safety Code, rather than Section 10.03, Indigent Health Care and Treatment Act (Article 4438f, V.T.C.S.), not later than the beginning of each operating year.

SECTION 8. Amends Section 5.12(a), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require reimbursement from certain public entities located outside the district for care and treatment rendered by the district to a person of the entity as provided by Chapter 61, Health and Safety Code, rather than the Indigent Health Care and Treatment Act (Article 4438f, V.T.C.S.).

SECTION 9. Amends Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, by adding Section 5.16, as follows:

Sec. 5.16. EMERGENCY LOANS. Authorizes the board to borrow money at a rate not to exceed the current maximum annual percentage rate allowed by law for district obligations, if the board determines that funds are not available to meet the lawful obligations of the district and an emergency exists. Authorizes the board to pledge certain revenues and bonds to secure a loan. Requires a loan for which tax revenue or bonds are pledged not later than the first anniversary of the date on which the loan was made. Requires a loan for which other district revenues are pledged to mature not later than the fifth anniversary of the date on which the loan was made. Prohibits the board from using loan proceeds for any other purpose other than the purpose for which the board determined the emergency existed or for a purpose for which the taxes were levied or bonds were authorized, if tax revenue or bonds are pledged to pay the loan.

SECTION 10. Amends Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, by adding Section 5.17, as follows:

Sec. 5.17. NONEMERGENCY LOANS. Makes conforming changes.

SECTION 11. Amends Section 6.09(a), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to prohibit the district from incurring a debt payable from revenues of the district other than the revenue on hand or to be on hand in the current and immediately following fiscal year, except as provided by Sections 5.16 and 5.17.

SECTION 12. Amends Section 7.02(a), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require the board to levy a tax at the time general obligation bonds are issued by the district.

SECTION 13. Amends Section 7.04(c), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require bonds to be issued in a manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, rather than Sections 8, 10, 11, 12, and 13, County Hospital Authority Act (Article 4494r, V.T.C.S.).

SECTION 14. Amends Section 9.02(b), Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require the directors to order an election on the issue of dissolution of the district upon the presentation of a petition signed by at least 15 percent, rather than 300, of registered voters of the district.

SECTION 15. Amends Section 9.08, Chapter 221, Acts of the 71st Legislature, Regular Session, 1989, to require the board to transfer the district's assets to a county or a governmental entity within which the district is located, or administer such assets and district debts until the disposition of all assets and settlement of all debts, if the voters of the district elect to dissolve the district. Provides that a county or governmental entity that receives transferred assets assumes all debts and obligations of the district and that the district is dissolved. Requires the board to determine the amount of debt owed by the district and impose a property tax to pay the debt, if the voters of the district elect to dissolve the district. Requires the board to order the secretary to return the pro rata share of excess tax revenue to each district taxpayer, when all outstanding debts and obligations are paid. Authorizes a taxpayer to request that the taxpayer's share of surplus tax money be credited to the taxpayer's county tax assessment. Requires the board to direct the secretary to transfer the requesting taxpayer's share to the county tax assessor-collector, if a taxpayer requests the credit. Requires the board to file a written report with the Commissioners Court of Eastland County (commissioners court) that summarizes the board's actions taken to dissolve the district, after all debts have been paid and all assets have disposed. Requires the commissioners court to enter an order dissolving the district and releasing the board of directors of the district from any further duty or obligation, not later than the 10th day after the date it receives the report and determines that the requirements of this section have been fulfilled. Makes conforming changes.

SECTION 16. Emergency clause.

Effective date: upon passage.