

## **BILL ANALYSIS**

Senate Research Center  
76R10692 CMR-D

S.B. 1840  
By: Ratliff  
Intergovernmental Relations  
4/12/1999  
As Filed

### **DIGEST**

The legislation creating the Hopkins County Hospital District in 1961 did not contain specific language regarding indigent care qualifications for the directors, dissolution of the district, or the ability to issue revenue bonds. S.B. 1840 would establish provisions regarding the powers of the Hopkins County Hospital District.

### **PURPOSE**

As proposed, S.B. 1840 establishes provisions regarding the powers of the Hopkins 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 Section 3, Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, to provide that no person shall be appointed or elected as a member of the board of directors (board) of the Hopkins County Hospital District (district) unless he is a resident and a qualified voter thereof, rather than owning land subject to taxation therein, and unless at the time of such election or appointment he shall be more than 21 years of age. Prohibits an employee of the district from serving as a director of that district.

SECTION 2. Amends Section 5, Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, to establish that the Tax Code governs the appraisal, assessment, and collection of district taxes. Authorizes the board of directors to provide for the appointment and collection of taxes as provided by the Tax Code.

SECTION 3. Amends Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 6C, as follows:

Sec. 6C. Provides that the board of directors has complete discretion to determine certain aspects regarding the facilities required to establish and maintain an adequate hospital system and ancillary health care system, as well as the equipment necessary for certain other facilities, equipment, and necessary medical care that the board considers necessary for the delivery of those services. Authorizes the board of directors to acquire certain entities for the district for use in the hospital system and ancillary health care system and to mortgage or pledge those entities as security for the payment of the purchase price. Authorizes the board of directors to lease, sell, or otherwise dispose of the district's property or all or part of certain hospital entities to a public or private entity, but only to the extent as necessary to maintain an adequate hospital system for the residents of Hopkins County.

SECTION 4. Amends Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 6D, as follows:

Sec. 6D. Authorizes the district to issue revenue bonds for purposes regarding the hospital district. Authorizes the bonds to be secured by a mortgage or deed of trust lien on all or part of district property. Provides the manner in which bonds must be issued for insurance of revenue bonds by county hospital authorities. Establishes that because the district is a public entity performing an essential public function, certain bonds are free from taxation by the state or any city, county, special district, or other political subdivision of the state.

SECTION 5. Amends Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 7A, as follows:

Sec. 7A. Authorizes the board of directors to enter into a joint ownership arrangement with one or more public or private entities for reasons regarding management or ownership of certain entities. Requires the board of directors to determine that the arrangement is in the best interest and is for a public purpose of the district before the board enters into an arrangement under this section.

SECTION 6. Amends Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 8B, as follows:

Sec. 8B. Authorizes the board of directors by majority vote, if there are insufficient funds to meet obligations, to borrow money to satisfy those obligations. Provides that the amount of money borrowed may not exceed a specific amount, unless voted unanimously by the board of directors. Sets forth funds that the board of directors may pledge to secure a loan. Requires a loan for which taxes are pledged to mature and be paid not later than the first anniversary of the date on which the loan is made. Prohibits the board from spending money obtained from a loan for any purpose other than the purpose declared by the board of directors and, if taxes are pledged to pay the loan, for any purpose other than the purposes for which the pledged taxes were levied.

SECTION 7. Amends Section 14, Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, to require the district, without charge, to supply to a patient residing in the district care and treatment that the patient or a legally responsible relative of the patient cannot pay. Requires the district to adopt an application procedure to determine eligibility for assistance. Deletes text regarding a patient being able to pay for treatment and care. Makes conforming changes.

SECTION 8. Amends Chapter 43, Acts of the 57th Legislature, 1st Called Session, 1961, by adding Section 21, as follows:

Sec. 21. Authorizes the district to be dissolved and its assets and liabilities to be sold or transferred to another entity or person, if the dissolution is approved by a majority of the qualified voters of the territory of the district voting at an election called and held for that purpose. Authorizes a majority of the directors to order an election regarding the dissolution of the district and transfer of its assets and liabilities. Sets forth requirements regarding a petition requiring the board of directors to order an election regarding the dissolution of the district and transfer of its assets and liabilities. Sets forth requirements to be stated in the order calling an election. Sets forth ways in which the directors are required to give notice of the election. Requires the election to be held not later than 45 days after the date on which the election is ordered. Establishes that Section 41.001(a), Election Code, does not apply to an election ordered under this section. Sets forth requirements regarding the ballot for the election. Requires the directors to canvass the returns of the election. Provides that if the results of the election are favorable to the proposition to dissolve the district and transfer its assets and liabilities, an order shall be issued declaring the district dissolved, and shall proceed with the sale or transfer of all assets and liabilities. Provides that if the results of the election are not favorable to the proposition to dissolve the district and transfer its assets and liabilities, another election may not be held for one year. Prohibits the district from being dissolved unless the board of directors provides for the sale and transfer of the district assets and liabilities to another entity or person. Sets forth requirements and conditions regarding the sale or transfer of assets and liabilities to another entity or person upon dissolution of the district.

SECTION 9. Effective date: September 1, 1999.

SECTION 10. Emergency clause.