

BILL ANALYSIS

Senate Research Center
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S.B. 2443
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Intergovernmental Relations
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Like other rural hospitals, the Sutton County Hospital District (district) has great difficulty recruiting and retaining physicians, which limits access to health care by residents of the district. Directly employing physicians will allow the district to provide economic security adequate for a physician to relocate and reside in the Sutton County area and will help the district recruit and retain physicians to provide medically necessary services in the community. The Act creating the district was passed by the 68th Legislature, Regular Session, 1983, and was amended in 1991, 1997, and 2001. The district would like to amend the legislation to allow the district to employ physicians and other health care providers.

The district also wants to amend the legislation to revise various provisions regarding district elections to bring those provisions in accordance with the Election Code, and regarding the bidding of construction contracts, to correspond to the Local Government Code. The district wants to amend the legislation to allow the district to borrow funds from a bank or lending institution. Finally, the district seeks to amend the legislation to authorize the issuance of revenue bonds and alternative means to secure repayment of bonds.

As proposed, S.B. 2443 authorizes the district to employ physicians or other health care providers, but does not authorize the district to supervise or control the practice of medicine. The bill modifies the amount of a construction contract that requires competitive bidding, authorizes the district to establish a program that provides income and medical benefits to a district employee who sustains a work-related injury, and sets forth requirements for borrowing money.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3.03(d), Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, to require that an election be held on the May uniform election date under Section 41.001 (Uniform Election Dates), Election Code, in each even-numbered year, rather than on the first Saturday in May in each even-numbered year, and the appropriate number of successor directors be elected for four-year terms.

SECTION 2. Amends Section 3.04, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 3.04. NOTICE OF ELECTION. Requires that notice of the election be published one time in a newspaper with general circulation in the Sutton County Hospital District (district) in accordance with Section 4.003 (Method of Giving Notice), Election Code. Deletes existing text requiring that notice of the election be published one time in a newspaper with general circulation in the district at least 35 days before the date of an election of directors.

SECTION 3. Amends Section 3.05, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 3.05. New heading: APPLICATION. (a) Requires a person who wishes to have his name printed on the ballot as a candidate for director to file with the secretary of the board of directors of the district (board) an application in accordance with Chapter 144 (Candidate for Office of Political Subdivision Other Than County or City), Election Code. Deletes existing text requiring a person who wishes to have his name printed on the ballot as a candidate for director to file with the secretary of the board a petition signed by at least 10 registered voters of the district asking that his name be placed on the ballot and requiring the determination of whether a person is a registered voter of the district be based on the most recent official lists of registered voters.

(b) Redesignates Subsection (c) as Subsection (b). Requires that the petition specify the commissioner precinct the candidate wishes to represent or specify that a candidate wishes to represent the district at large. Deletes existing text of Subsection (b) requiring the petition to be filed with the secretary not later than the 31st day before the date of the election. Makes a nonsubstantive change.

SECTION 4. Amends the heading to Section 3.14, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, to read as follows:

Sec. 3.14. PHYSICIANS, HEALTH CARE PROVIDERS, TECHNICIANS, NURSES, AND OTHER DISTRICT EMPLOYEES.

SECTION 5. Amends Section 3.14, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, by adding Subsections (c) and (d), as follows:

(c) Authorizes the board to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(d) Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

SECTION 6. Amends Section 4.07, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 4.07. CONSTRUCTION CONTRACTS. (a) Authorizes the board to enter into construction contracts on behalf of the district; however, the board is authorized to enter into construction contracts that involve spending more than the amount provided by Section 271.024 (Competitive Bidding Procedure Applicable to Contract), Local Government Code, rather than \$10,000, only after competitive bidding as provided by Subchapter B (Competitive Bidding on Certain Public Works Contracts), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, rather than Chapter 770, Acts of the 66th Legislature, Regular Session, 1979 (Article 2368a.3, V.T.C.S.).

(b) Provides that Chapter 2253 (Public Work Performance and Payment Bonds), Government Code, rather than Article 5160, Revised Statutes, as it relates to performance and payment bonds, applies to construction contracts let by the district.

SECTION 7. Amends Article 4, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, by adding Section 4.14, as follows:

Sec. 4.14. BENEFITS FOR INJURED EMPLOYEES. (a) Authorizes the district to establish a comprehensive program to provide income and medical benefits to a district employee who sustains an injury that arises out of and in the course and scope of employment.

(b) Exempts the district, if the district adopts a comprehensive program under Subsection (a) of this section, from Section 504.001 (Method of Providing

Coverage), Labor Code, to the extent that the section requires the district to provide workers' compensation to its employees.

SECTION 8. Amends Article 5, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, by adding Section 5.11, as follows:

Sec. 5.11. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) Authorizes the board to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness; a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or a district bond that has been authorized but not sold.

(c) Requires that a loan for which taxes or bonds are pledged mature not later than the first anniversary of the date the loan is made. Requires that a loan for which district revenue is pledged mature not later than the fifth anniversary of the date the loan is made.

SECTION 9. Amends Article 6, Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, by adding Sections 6.12 and 6.13, as follows:

Sec. 6.12. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. Authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds under this article, to provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 6.02 (Taxes to Pay Bonds) of this Act and revenue and other sources authorized by Section 6.04 (Revenue Bonds) of this Act.

Sec. 6.13. USE OF BOND PROCEEDS. Authorizes the district to use the proceeds of bonds issued under this article to pay certain expenses related to the bonds.

SECTION 10. Effective date: upon passage or September 1, 2009.