BILL ANALYSIS

Senate Research Center
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H.B. 1259
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Cisco Hospital District ceased operating a hospital following an election held to dissolve the district a few years ago, but the district's original enabling legislation did not provide for the final dissolution of the district or for the disposition of the district's assets. H.B. 1259 seeks to address this issue by providing for such dissolution and disposition.

H.B. 1259 amends current law relating to the dissolution of the Cisco Hospital District, and authorizes the imposition of a tax.

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 Chapter 30, Acts of the 59th Legislature, Regular Session, 1965, by adding Section 7A, as follows:

Sec. 7A. (a) Authorizes the Cisco Hospital District (district) to be dissolved only on approval of a majority of the voters of the district voting in an election held for that purpose.

(b) Authorizes the board of directors of the district (board) to order an election on the question of dissolving the district and disposing of the assets and obligations of the district.

(c) Requires the board to order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the registered voters in the district.

(d) Requires that the order calling the election state the nature of the election, including the proposition to appear on the ballot, the date of the election, the hours during which the polls will be open, and the location of the polling places.

(e) Requires the board to give notice of an election under this section by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the district.

(f) Requires that the first publication of the notice appear not later than the 35th day before the date set for the election.

(g) Requires that the ballot for an election under this section be printed to permit voting for or against the proposition: "The dissolution of the Cisco Hospital District."

(h) Requires the board, if a majority of the votes in an election under this section favor dissolution, to find that the district is dissolved.

(i)   Requires the board, if a majority of the votes in the election do not favor dissolution, to continue to administer the district and prohibits another election on the question of dissolution from being held before the first anniversary of the most recent election to dissolve the district.

(j)   Requires the district, if a majority of the votes in the election under this section favor dissolution, to:

> (1)   transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Eastland County (county) or another governmental entity in county;

> (2)   sell the assets and liabilities to another person; or

> (3)   administer the property, assets, and debts until all money has been disposed of and all debts of the district have been paid or settled.

(k)   Provides that, if the district makes the transfer under Subsection (j)(1) of this section, the county or entity assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved.

(l)   Provides that, if Subsections (j)(1) and (2) of this section do not apply and the board of directors administers the property, assets, and debts under Subsection (j)(3) of this section, the district is dissolved when all money is disposed of and all district debts have been paid or settled.

(m)   Requires that the sale or transfer of the district's assets and liabilities satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets.

(n)   Prohibits the district from transferring or disposing of the district's assets except for due compensation unless the transfer is made to a governmental agency that serves the district, and the transferred assets are to be used for the benefit of the residents of the district.

(o)   Requires the board, after the board finds that the district is dissolved, to determine the debt owed by the district, and impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(p)   Requires the board, on payment of all outstanding debts and obligations of the district, to order the secretary to return to each taxpayer of the district the taxpayer's pro rata share of all unused tax money.

(q)   Authorizes a taxpayer to request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes.   Requires the board, if a taxpayer requests the credit, to direct the secretary to transmit the money to the county tax assessor-collector.

(r)   Requires the board, after the district has paid all debts of the district and has disposed of all money and other assets of the district as prescribed by this section, to file a written report with the commissioners court of the county (commissioners court) summarizing the board's actions in dissolving the district.

(s)   Requires the commissioners court, not later than the 10th day after the date the commissioners court receives the report and determines that the requirements of this section have been fulfilled, to enter an order dissolving the district and releasing the board from any further duty or obligation.

       (t) Provides that, if all positions on the board of directors of the district are vacant, the county judge of the county has all the powers and duties otherwise provided by law to the board of directors of the district.

SECTION 2. Provides that all proceedings resolutions, orders, and other acts or attempted acts of the board of directors of the Cisco Hospital District relating to the intended dissolution of the district and the sale or transfer of any district assets and liabilities pursuant to the intended dissolution of the district occurring before the effective date of this Act are validated in all respects as of the dates they occurred and are prohibited from being held invalid because they were not performed in accordance with law.

SECTION 3. Effective date: upon passage or September 1, 2013.