

BILL ANALYSIS

Senate Research Center
80R13091 TAD-F

C.S.S.B. 1180
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The DeWitt Medical District (district) was created by the 59th Legislature in 1965. Although the Act creating the district was amended in 1989 and 1991, it is currently outdated. The district would like for the legislation to be amended to provide for the election of directors for staggered three-year terms and to allow the district to follow Election Code timelines for ordering and publishing notice of district elections. The district would also like to authorize the creation of additional board officer positions as well as update certain outdated provisions of the district's enabling legislation.

C.S.S.B. 1180 amends the enabling legislation of the DeWitt Medical District to provide that the district's directors will be elected at large for staggered terms of three years. The bill removes outdated language regarding the election of the initial board of directors. C.S.S.B. 1180 amends the enabling legislation to clarify that the election of directors will be held on the uniform election date in May as provided by the Election Code. The bill further amends the legislation to provide that the board will order the election and publish notice of the election as provided by the Election Code.

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 4, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, as follows:

Sec. 4. (a) Provides that the DeWitt Medical District (district) is governed by a board of five directors (board) elected at large for staggered three-year terms. Deletes existing text relating to electoral procedures in the district.

(b) Creates this subsection from existing text. Makes nonsubstantive changes and deletes existing text requiring a person to have a home or fixed place of habitation in the district to be qualified to serve as a director of the district.

(c) Requires a regular election to be held each year on the May uniform election date under Section 41.001, Election Code, and the appropriate number of successor directors are required to be elected for three-year terms. Requires the board to order the election in accordance with Chapter 3, Election Code. Requires notice of the election to be published in a newspaper of general circulation in the district in accordance with Section 4.003, Election Code. Deletes existing text relating to the electoral process.

(d) Requires a person who wants to have the person's name printed on the ballot as a candidate for director to file an application with the secretary of the board in accordance with Chapter 144, Election Code. Deletes existing text providing that this section applies only if the district boundaries are not expanded under Section 1B or 1C of this Act.

SECTION 2. Amends Section 7, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, as follows:

Sec. 7. (a) Requires the board, at the first regular meeting of the board following the annual election of the directors, to elect a chair, vice chair, and secretary from their number to serve for a term of one year, rather than until the next succeeding directors' election. Authorizes the board to create additional officer positions.

(b) Creates this subsection from existing text.

(c) Creates this subsection from existing text and makes nonsubstantive changes.

(d) Authorizes the district, through the board, to contract with the Nixon Hospital District of Gonzales and Wilson Counties, Texas, for the district to lease, manage, or operate a health care facility located in the Nixon Hospital District of Gonzales and Wilson Counties, Texas.

(e) Creates this subsection from existing text and makes nonsubstantive changes.

(f) Creates this subsection from existing text and makes a nonsubstantive change.

(g) Creates this subsection from existing text and makes nonsubstantive changes.

(h) Requires the board to appoint a qualified person as district administrator. Provides that the administrator serves at the will of the board and requires the administrator to receive compensation determined by the board. Requires the board to require that before assuming the duties as administrator, the person is required to execute a bond payable to the district in an amount of not less than \$5,000 that is conditioned on the performance of the administrator's duties. Authorizes the board to pay for the bond with district funds. Requires the administrator, subject to the limitations prescribed by the board, to supervise the work and activities of the district and direct the affairs of the district.

(i) Authorizes the board to contract with doctors or appoint doctors to the medical staff and to employ technicians, nurses, and other employees the board considers necessary for the efficient operation of the district. Authorizes the board to delegate that authority to the district administrator.

SECTION 3. Amends Section 7A, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, to authorize the district to provide assisted living services in addition to other services the district is authorized to provide.

SECTION 4. Amends Section 9, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, as follows:

Sec. 9. Provides that the Tax Code governs the appraisal, assessment, and collection of district taxes. Authorizes the board to provide for the appointment of a tax assessor-collector for the district or to contract for the assessment and collection of taxes as provided by the Tax Code. Deletes existing text relating to the board's ability to levy taxes.

SECTION 5. Amends Section 12, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, as follows:

(a) Creates this subsections from existing text. Requires the board to have the power and authority to issue and sell, as the obligations of the district, and in the name and upon the faith and credit of the district, general obligation bonds authorized by an election for the purchase, construction, acquisition, repair or renovation of buildings and improvements and equipping the same for hospital purposes and for any or all of such purposes. Requires sufficient annual tax, at the time of issuance of any general obligation bonds, to be levied to create an interest and sinking fund to pay the interest on and principal of the

bonds as same mature, providing the tax together with any other taxes levied for the district is prohibited from exceeding a rate of seventy-five cents on each one hundred dollar valuation of all taxable property within the district in any year. Makes nonsubstantive changes.

(b) Creates this subsection from existing text. Makes nonsubstantive and conforming changes.

(c) Creates this subsection from existing text. Requires that no general obligation bonds be issued by the district until authorized by a majority of the district voters voting in an election called by the board on its own motion, and requires the election to be conducted in accordance with Chapter 1521, Government Code. Deletes existing text relating to elections and the issuance of bonds.

(d) Creates this subsection from existing text. Authorizes the district to issue refunding bonds to refund or pay off any validly issued and outstanding district bonds issued or assumed by the district, without election. Requires refunding bonds to be issued in accordance with Chapter 1207, Government Code. Deletes existing text relating to refunding bonds.

(e) Authorizes the board to issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district purposes. Requires the bonds to be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system. Authorizes the bonds to be additionally secured by a mortgage or deed of trust lien on all or part of the district's property. Requires the revenue bonds to be issued in the manner provided by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for the issuance of revenue bonds by county hospital authorities.

SECTION 6. Amends Sections 12A(a) and (b), Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, as follows:

(a) Deletes existing text making this section applicable only in specified circumstances. Makes conforming changes.

(b) Authorizes the board, to secure a loan, to pledge district taxes to be levied by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds. Makes conforming changes.

SECTION 7. Repealer: Sections 4A and 12A(d), Chapter 310, Acts of the 59th Legislature, Regular Session, 1965.

SECTION 8. Effective date: upon passage or September 1, 2007.