

BILL ANALYSIS

Senate Research Center
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S.B. 969
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Intergovernmental Relations
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DIGEST AND PURPOSE

Under current law, the Deaf Smith County Hospital District Board (board) loses the majority of its members every other year. As proposed, S.B. 969 changes the board members' terms from two-year terms to staggered three-year terms. Also under current law, any contract for purchases involving the expenditure of more than \$15,000 is subject to competitive bidding. This bill allows the district to use the services of group purchasing cooperatives, requests for proposal, and other similar arrangements and makes the district's statutory authority more consistent with similar districts under Chapters 281(Hospital Districts in Counties of at Least 190,000) and 283 (Optional Hospital District Law of 1957), Health and Safety Code. Finally, this bill allows the district to create a non-profit physician organization in order to develop appropriate relationships between the district and the physicians it recruits.

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(b), Chapter 59, Acts of the 62nd Legislature, Regular Session, 1971, to provide that the directors of the Deaf Smith County Hospital District (district) serve staggered three-year (rather than two-year) terms.

SECTION 2. Amends Sections 5A(a) and (b), Chapter 59, Acts of the 62nd Legislature, Regular Session, 1971, as follows:

(a) Authorizes the district to spend district funds, enter into agreements, or take other action it considers appropriate to recruit physicians, nurses, or other trained medical personnel, including certain stated actions.

(b) Authorizes the district to enter into a contract with a full-time allied health professional who is enrolled and in good standing at an accredited school, college, or university.

SECTION 3. Amends Section 10, Chapter 59, Acts of the 62nd Legislature, Regular Session, 1971, to delete text regarding contracts for purchases involving the expenditure of more than \$15,000. Requires the provisions of Chapter 2253 (Public Work Performance and Payment Bonds), Government Code, rather than Article 5160, Revised Statutes, relating to performance and payment bonds, to apply to construction contracts let by the district. Makes a conforming change.

SECTION 4. Amends Chapter 59, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 5B, as follows:

Sec. 5B. Authorizes the district to sponsor and create a nonprofit corporation under the Texas

Non-Profit Corporation Act (Article 1396-1.01 et seq., V.T.C.S.) and to contribute funds to or solicit funds for the corporation. Authorizes the corporation to use funds, other than funds paid by the corporation to the district, only to provide health care or other services the district is authorized to provide under this act. Requires the board of directors to establish adequate controls to ensure the corporation uses its funds as required. Authorizes the corporation to invest corporation funds in any manner in which the district may invest funds, including investing funds as authorized by Chapter 2256 (Public Funds Investment), Government Code.

SECTION 5. (a) Effective date: September 1, 2001.

(b) Requires the election of directors scheduled before the effective date of this Act to be held in May 2002 and requires the two directors who receive the highest total number of votes to be elected to serve three-year terms, while those who receive the third and fourth highest total number of votes are to serve two-year terms. Requires that, if two or more persons receive the same number of votes and a tie must be broken so that terms may be assigned, those persons draw lots to determine their respective terms.

(c) Requires directors elected in an election held in 2003 to serve three-year terms.

(d) Requires successor directors to serve three-year terms.