

CHAPTER 769

H.B. No. 2500

AN ACT

relating to the powers, duties, and expansion of the City of Amarillo Hospital District; authorizing the creation of public debt.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 1, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

Sec. 1. The City of Amarillo, Texas, may be constituted a Hospital District, which district shall, *unless expanded under Section 19 of this Act or other applicable law*, always be *coextensive* [~~co-extensive~~] with the incorporated limits of the City of Amarillo, Texas, for the purpose of owning and operating a hospital or hospital system for indigent and needy

persons, as hereinafter set out, and may take over the hospital or hospital system, either owned separately by Potter County or jointly with the City of Amarillo, or may provide for the establishment of a hospital or hospital system to furnish medical aid and hospital care to the indigent and needy persons residing in said Hospital District. The name of the district shall be specified by the governing body of the City. Said district shall constitute a body politic and corporate, and its functions are declared to be governmental and public.

SECTION 2. Subsections a, b, c, and d, Section 3, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, are amended to read as follows:

a. The city governing body shall have the power and authority to issue and sell as the obligations of such Hospital District, and in the name and upon the faith and credit of such Hospital District, bonds for the acquisition, purchase, construction, equipment and enlargement of the hospital or hospital system, and for any or all of such purposes; provided, that a sufficient tax shall be levied to create an interest and sinking fund to pay the interest and principal as same matures provided said tax together with any other taxes levied for said district shall not exceed Seventy-five Cents (75¢) in any one year. Such bonds shall be executed in the name of the Hospital District and on its behalf by the Mayor of the City of Amarillo, and countersigned by the City Secretary, or, in lieu of such manual signatures, facsimile signatures of the Mayor or City Secretary, or both may be printed on the bonds as provided by the *Texas Uniform Facsimile Signature of Public Officials Act (Article 717j-1, Vernon's Texas Civil Statutes)*, and its subsequent amendments [~~Chapter 293, Acts of the Fifty-fourth Legislature~~], and shall be subject to the same requirements in the matter of approval thereof by the Attorney General of the State of Texas and the registration thereof by the Comptroller of Public Accounts of the State of Texas as are by law provided for such approval and registration of bonds of such city; and the approval of such bonds by the Attorney General shall have the same force and effect as is by law given to his approval of bonds of such city. No *such* bonds shall be issued by such Hospital District (except refunding bonds) until authorized by a majority vote of the legally qualified property taxpaying voters residing in such Hospital District, voting at an election called and held in accordance with the provisions of law relating to city bonds. Such election may be called by the governing body of the city of its own motion, or shall be called by it after request therefor by the Board of Hospital Managers; and the same persons shall be responsible for the conduct of such election and the arrangements of all details thereof as the persons charged therewith in connection with other city-wide elections. The cost of any such election shall be a charge upon the Hospital District and its funds; and the Hospital District shall make provision for the payment thereof before the governing body of the city shall be required to order such an election.

b. In the manner hereinabove provided, the bonds of such Hospital District may, without the necessity of any election therefor, be issued for the purpose of refunding and paying off any bonded indebtedness theretofore assumed by such Hospital District and any bonds theretofore issued by such Hospital District; such refunding bonds may be sold and the proceeds thereof applied to the payment of any such outstanding bonds or may be exchanged in whole or in part for not less than a like amount of said outstanding bonds and interest matured thereon, but unpaid. The refunding bonds shall mature serially or otherwise in not to exceed forty (40) years [~~and bear interest at a rate not to exceed six per cent (6%).~~].

~~[c. If the city has voted bonds to provide hospital facilities, but such bonds have not been sold at the date of the creation of the Hospital District, the authority for such bonds shall be canceled, and they shall not be sold.]~~

d. All bonds of the district shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, *savings* [building] and loan associations, insurance companies, fiduciaries, trustees, guardians, and the sinking funds of cities, towns, villages, counties, school districts, or other political subdivisions of the State of Texas. Such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of their value, when accompanied by all unmatured coupons appurtenant thereto.

SECTION 3. Subsection (d), Section 3A, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

(d) The bonds may be issued to mature serially or otherwise not to exceed forty (40) years from their date. The total principal of *revenue bonds issued and outstanding [and unpaid]* may not exceed \$20 million [\$7,500,000].

SECTION 4. Section 3B, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended by adding Subsection g to read as follows:

g. This section is cumulative of any other law establishing the manner in which Randall County, or any portion of Randall County, may participate in, be annexed to, or otherwise served by the Amarillo Hospital District.

SECTION 5. Section 5, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

Sec. 5. a. The governing body of the City of Amarillo shall appoint a Board of Hospital Managers, consisting of not less than five (5) nor more than seven (7) members, who shall serve for a term of two (2) years, with overlapping terms if desired, and with initial appointments to terms of office arranged accordingly, without pay, and whose duties shall be to manage, control and administer the hospital or hospital system of the Hospital District. *The governing body of the City of Amarillo may, by majority vote, remove any member of the Board of Hospital Managers with or without cause.* The district, *through its Board of Managers,* shall have the power and authority to sue and be sued in its name. The Board is authorized to promulgate rules and regulations for the operation of the hospital or hospital system.

b. The Board shall appoint a general manager, to be known as the Administrator of the Hospital District. The Administrator ~~[shall hold office for a term not exceeding two (2) years, and]~~ shall receive such compensation as may be fixed by the Board. The Administrator shall be subject to removal at any time by the Board. The Administrator shall, before entering into the discharge of his duties, execute a bond payable to the District, in the amount of not less than Ten Thousand Dollars (\$10,000), conditioned that he shall well and faithfully perform the duties required of him, and containing such other conditions as the Board may require. The Administrator shall perform all duties which may be required of him by the Board, and shall supervise all of the work and activities of the district, and have general direction of the affairs of the district, within such limitations as may be prescribed by the Board. He shall be a person qualified by training and experience for the position of Administrator.

c. The Board of Managers shall have the authority to employ such doctors, technicians, nurses and other employees of every kind and character as may be deemed advisable for the efficient operation of the hospital or hospital system; ~~provided that no contract or term of employment shall exceed the period of two (2) years].~~ *The Board of Managers may delegate to the Administrator the authority to employ persons for the Hospital District.*

d. The Board of Managers, with the approval of the governing body of the City of Amarillo, shall be authorized to contract with any county or other incorporated municipality for care and treatment of such county's or city's sick, diseased and injured persons, and with the State and agencies of the Federal Government for the care of and treatment of such persons for whom the State and such agencies of the Federal Government are responsible. Further, ~~[under the same conditions,] the Board of Managers may [enter into such contracts with the State and Federal Government as may be necessary to]~~ *establish or continue a retirement program for the benefit of its employees and may contract with the State or Federal Government for that purpose.*

e. A majority of the Board of Hospital Managers shall constitute a quorum for the transaction of any business. From among its members the Board shall choose a Chairman, who shall preside; or in his absence a Chairman pro tem shall preside; and the Administrator or any member of the Board may be appointed secretary. The Board shall require the secretary to keep suitable records of all proceedings of each meeting of the Board. Such record shall be read and signed after each meeting by the Chairman or the member presiding, and attested by the secretary. The Board *may* ~~[shall]~~ have a seal, on which shall

be engraved the name of the Hospital District; and *any* [said] seal shall be kept by the secretary and *may be* used in authentication of [all] acts of the Board.

f. *The Board of Managers may purchase insurance to protect the members of the Board from any liability that arises from serving on the Board.*

g. *The Board of Managers shall determine the eligibility standards for Hospital District assistance and the consideration to be received for its services, products, and the use of its facilities and may use the pricing methods it considers advisable, including discount and per diem pricing.*

h. *The Board of Managers may use Hospital District funds, enter into agreements, and take other necessary action to conduct, participate in, or assist health care education programs for the public and for current or potential medical staff members or employees.*

i. *The Board of Managers may use Hospital District funds to ensure the qualification and continued qualification of physicians and other personnel.*

SECTION 6. Section 5a, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

Sec. 5a. The Board of Managers [~~with the approval of the governing body of the City of Amarillo,~~] is authorized to contract with West Texas State University or another educational institution for the coordination of educational [~~the B.S. degree and diploma~~] programs in recognized health care professions, including pharmacy, nursing, and allied health professions, to be conducted by each and for cooperative funding of the expense of an instructional program in those programs [~~nursing~~]. The Hospital District may provide services, funds, or equipment and may make its facilities available to West Texas State University or other educational institutions for clinical instruction, research, or programs that grant degrees.

SECTION 7. Sections 10 and 12, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, are amended to read as follows:

Sec. 10. *The* [~~Within thirty (30) days after the appointment of the Board of Hospital Managers of any district created under this Act, the said~~] Board of Managers shall select one or more depositories [~~a depository~~] for such district in the manner provided by law for the selection of county depositories; and such depository or depositories shall be the depository or depositories of such district [~~for a period of two (2) years thereafter, or~~] until one or more successors are [~~its successor is~~] selected and qualified. [~~In the alternative, the Board may elect to use the depository theretofore selected by the county.~~]

Sec. 12. The Board of Hospital Managers may be represented in all legal matters by the attorneys charged with representing the City of Amarillo in civil matters, and in such event the District shall contribute sufficient funds to the general fund of the City of Amarillo for the account of the budget of such attorneys to pay all additional salaries and expenses incurred by such attorneys in performing the duties required of them by the district; provided, however, that the Board may in its discretion employ legal counsel of its own selection if it deems *the action* advisable.

SECTION 8. Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended by adding Section 13A to read as follows:

Sec. 13A. *Not later than the first day of each fiscal year, the Board of Managers shall adopt requirements to be used by the Hospital District in determining if a person is eligible for hospital, medical, or health care assistance from the District. The Board shall adopt an application procedure that specifies the documentation required in support of the application for assistance.*

SECTION 9. Subsection a, Section 14, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

a. Whenever a patient has been admitted to the facilities of the Hospital District from Potter County or the Hospital District, the Administrator shall cause inquiry to be made as to his circumstances, and of the relatives of such patient legally liable for his support. If it is determined [~~he finds~~] that such patient or said relatives are liable to pay for his care and treatment in whole or in part, an order shall be made directing such patient, or said relatives, to pay [~~to~~] the [~~treasurer of the~~] Hospital District for the support of such patient a specified sum [~~per week, in proportion to their financial ability, but such sum shall not exceed the~~

actual per capita cost of maintenance]. The Administrator shall have power and authority to collect such sum from the estate of the patient, or his relatives legally liable for his support, in the manner provided by law for the collection of expenses of the last illness of a deceased person. ~~[If the Administrator finds that such patient or said relatives are not able to pay, either in whole or in part, for his care and treatment in such hospital, the same shall become a charge upon the Hospital District. Should there be a dispute as to the ability to pay, or doubt in the mind of the Administrator, the County Judge of Potter County shall hear and determine same, after calling witnesses, and shall make such order as may be proper, from which appeal shall lie to the district court by either party to the dispute.]~~

SECTION 10. Section 15, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

Sec. 15. Said Board of Managers of the Hospital District is authorized on behalf of said Hospital District to accept donations, gifts, and endowments for the Hospital District, to be held in trust or otherwise and administered by the Board of Managers for such purposes and under such directions, limitations, and provisions as may be prescribed in writing by donor, not inconsistent with proper management and *the objectives* [objects] of the Hospital District, and may establish foundations or nonprofit corporations for these purposes.

SECTION 11. Section C, Section 16, Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended to read as follows:

Sec. C. The creation of said District by the City Commission of the City of Amarillo and the appointment of the Board of Hospital Managers by said Commission are hereby validated[, provided, however, that this validation provision shall not be applicable if litigation attacking the validity of the District is pending at the time this Act becomes effective].

SECTION 12. Chapter 136, Acts of the 55th Legislature, Regular Session, 1957, is amended by adding Sections 17–20 to read as follows:

Sec. 17. a. *The Board of Managers shall require reimbursement from a county, municipality, or public hospital located outside the boundaries of the district for the district's care and treatment of a sick, diseased, or injured person of that county, municipality, or public hospital, as provided by Chapter 61, Health and Safety Code.*

b. *The Board of Managers shall require reimbursement from the sheriff or police chief of a county or municipality for the district's care and treatment of a person confined in a jail facility of the county or municipality who is not a resident of the district.*

Sec. 18. *The Hospital District may contract with, affiliate with, or enter into other arrangements with managed care systems, preferred provider organizations, health maintenance organizations, other providers of alternative health care or delivery systems, or private hospitals to provide joint administration or delivery of health care services.*

Sec. 19. a. *Registered voters of a defined territory that is not included in the Hospital District may file a petition with the Board of Managers requesting the inclusion of the territory in the district. The petition must be signed by at least 50 registered voters of the territory, or a majority of those voters, whichever is less.*

b. *The Board of Managers by order shall set a time and place to hold a hearing on the petition to include the territory in the Hospital District. The Board shall set a date for the hearing that is at least 30 days after the date on which the Board issues the order. The Board of Managers shall notify the governing body of the City of Amarillo of the hearing.*

c. *If, after the hearing, the Board of Managers and the governing body of the City of Amarillo find that annexation of the territory to the Hospital District would benefit the District, the Board of Managers and the governing body of the City of Amarillo may approve the annexation by a resolution entered in their minutes. The Board of Managers and the governing body of the City of Amarillo are not required to include all of the territory described in the petition if the Board of Managers and the governing body of the City of Amarillo find that including only a portion of the territory is necessary or desirable.*

d. *Annexation of territory is final when approved by a majority of voters at an election held in the Hospital District and by a majority of the voters at a separate election held in the territory to be annexed. If the district has outstanding debts or taxes, the voters in the*

election to approve the annexation must also determine if the annexed territory will assume its proportion of the debts or taxes if added to the district.

e. The election ballots shall be printed to provide for voting for or against the following, as applicable:

(1) "Adding (description of territory to be annexed) to the Amarillo Hospital District and authorizing the levy by the governing body of the City of Amarillo of annual taxes to support the Amarillo Hospital District at a rate of not more than \$.75 on each \$100 valuation of taxable property in the proposed territory to be annexed."

(2) "(Description of territory to be annexed) assuming its proportionate share of the outstanding debts and taxes of the City of Amarillo Hospital District, if it is added to the district."

f. The election shall be held not less than 45 days nor more than 60 days after the date on which the election is ordered.

g. The election order must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

h. The governing body of the City of Amarillo shall give notice of the election by publishing once a week for two consecutive weeks a substantial copy of the election order in a newspaper with general circulation in the Hospital District and in the territory proposed to be added to the District. The first publication must appear at least 35 days before the date of the election.

i. The election may be called by the governing body of the City of Amarillo on its own motion.

j. The election shall be conducted by the persons responsible for conducting citywide elections in Amarillo. The Hospital District shall pay the City of Amarillo for the cost of an election held under this section and shall make provision for the payment before the governing body of the City of Amarillo orders the election.

k. The Election Code governs an election held under this section, except that Section 41.001(a), Election Code, does not apply.

Sec. 20. Since the Hospital District is a public entity performing an essential public function, bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are free from taxation by the state or by any city, county, special district, or other political subdivision of the state.

SECTION 13. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 21, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 2500 on May 28, 1993: Yeas 131, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May 26, 1993: Yeas 30, Nays 0.

Approved June 18, 1993.

Effective June 18, 1993.