

CHAPTER 844

H.B. No. 1384

AN ACT

relating to the authority of a city to dissolve a hospital authority.

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

SECTION 1. The Hospital Authority Act (Article 4437e, Vernon's Texas Civil Statutes) is amended by adding Section 19A to read as follows:

2902

Sec. 19A. DISSOLUTION. (a) The Governing Body of a City may dissolve a Hospital Authority created by that City by adopting an ordinance dissolving the Authority.

(b) Except as provided by Subsection (c) of this section, an ordinance dissolving an Authority takes effect on the 31st day after the date the City adopts the ordinance.

(c) If before the ordinance takes effect the City receives a petition that requests a referendum on the dissolution and is signed by at least 10 percent of the registered voters of the City who voted in the most recent City election, the ordinance does not take effect and the City shall order an election on the question of dissolution. Section 41.001(a), Election Code, requiring an election to be held on a uniform election date, does not apply to an election held under this section. Except as provided by this subsection, the election must be held in accordance with the applicable provisions of the Election Code. The ballot shall be printed to provide for voting for or against the proposition: "Dissolution of the (name of hospital authority)."

(d) If a majority of the votes in the election are cast in favor of the proposition, the ordinance takes effect on a date stated in the order declaring the results of the election. If a majority of the votes in the election are cast against the proposition, the ordinance does not take effect and the City may not adopt an ordinance dissolving the Authority before the first anniversary of the date of the election. That ordinance is also subject to the petition and election requirements of this section.

(e) Notwithstanding any other provision of this section, a City may not dissolve an Authority unless the City and Authority provide for the sale or transfer of the Authority's assets and liabilities to the City or to another person. The dissolution of an Authority and the sale or transfer of the Authority's assets and liabilities may not contravene a trust indenture or bond resolution relating to the outstanding bonds of the Authority. In addition, the dissolution and sale or transfer may not diminish or impair the rights of the holders of any outstanding bonds, warrants, or other obligations of the Authority.

SECTION 2. This Act takes effect September 1, 1987.

SECTION 3. 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.

Passed by the House on May 8, 1987, by a non-record vote. Passed by the Senate on May 27, 1987, by a viva-voce vote.

Approved June 19, 1987.

Effective Sept. 1, 1987.