

CHAPTER 905

H.B. No. 1950

AN ACT

relating to the authority of the Lubbock County Hospital District to establish medical and other health facilities.

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

SECTION 1. Sections 3, 5, 7, 8, 10, and 21, Chapter 484, Acts of the 60th Legislature, Regular Session, 1967, are amended to read as follows:

Sec. 3. PURPOSE OF DISTRICT. The district authorized to be created by this Act is charged with the responsibility of establishing a hospital or a hospital system, *including medical facilities or other health facilities*, within its boundaries to furnish hospital and medical care to the residents of the district. After this district is created as provided in Section 4 of this Act, no other municipality or political subdivision shall have the power to levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care within the boundaries of the district. This district shall provide all necessary medical and hospital care for the needy inhabitants of the district.

Sec. 5. TAXES OF DISTRICT; DEPOSIT OF TAXES AND OTHER INCOME. After a majority of those persons voting to create such hospital district and to levy a tax therefor have voted, the Commissioners Court of Lubbock County shall have the power and the authority, and it shall be its duty, to levy on all property subject to hospital district taxation for the benefit of the district at the same time taxes are levied for county purposes, using the county values and the county tax roll, a tax of not to exceed 75 cents on the \$100 valuation of all taxable property within the hospital district, for the purpose of (1) paying the interest on and creating a sinking fund for bonds which may have been assumed or which may be issued by the hospital district for hospital purposes, as herein provided; (2) providing for the operation and maintenance of the hospital or hospital system, *including medical facilities or other health facilities*; and (3) when requested by the board of hospital managers and approved by the commissioners court, for the purpose of making further improvements and additions to the hospital system, *including medical facilities or other health facilities*, and for the acquisition of necessary sites therefor, by purchase, lease or condemnation.

The tax so levied shall be collected on all property subject to hospital district taxation by the assessor and collector of taxes for the county on the county tax values, and in the same manner and under the same conditions as county taxes. The assessor and collector of taxes shall charge and deduct from payments to the hospital district the fees for assessing and collecting the tax at the rate of not exceeding one and one half percent of the amounts collected as may be determined by the commissioners court. Such fees shall be deposited in the county's general fund, and shall be reported as fees of office of the tax assessor and collector. Interest and penalties on taxes paid to the hospital district shall be the same as in the case of county taxes. Discounts shall be the same as for county taxes. The residue of tax collections, after deduction of discounts and fees for assessing and collecting, shall be deposited in the district depository; and such funds shall be withdrawn only as provided herein. All other income of the hospital district shall be

deposited in like manner with the district depository. Warrants against hospital district funds shall not require the signature of the county clerk.

The commissioners court shall have the authority to levy the tax aforesaid for the entire year in which the said hospital district is established, for the purpose of securing funds to initiate the operation of the hospital district, and to pay assumed bonds.

Sec. 7. BONDS OF DISTRICT; TAXES TO PAY BONDS AND INTEREST; SINKING FUND. The commissioners court 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, *including medical facilities and other health facilities*, and for any or all of such purposes; provided, that a sufficient tax shall be levied upon all taxable property situated within said district subject to hospital district taxation 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 75 cents per \$100 valuation in any one year. Such bonds shall be executed in the name of the hospital district and on its behalf by the County Judge of Lubbock County, the county within which the hospital district is created, and countersigned by the county clerk, 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 county; 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 county. No 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 Chapter 1 of Title 22 of the Revised Civil Statutes of the State of Texas (1925), as amended, relating to county bonds. Such election may be called by the commissioners court 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 arrangement of all details thereof as the persons charged therewith in connection with other county-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 commissioners court shall be required to order such an election.

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; provided the average interest cost per annum on the refunding bonds, computed in accordance with recognized standard bond interest cost tables, shall not exceed the average interest cost per annum so computed upon the bonds to be discharged out of the proceeds of the refunding bonds, unless the total interest cost on the refunding bonds, computed to their respective maturity dates, is less than the total interest cost so computed on the bonds to be discharged out of such proceeds. In the foregoing computations, any premium or premiums required to be paid upon the bonds to be refunded as a condition to payment in advance of their stated maturity dates shall be taken into account as an addition to the net interest cost to the hospital district of the refunding bonds.

Sec. 8. BOARD OF HOSPITAL MANAGERS. The commissioners court shall appoint a board of hospital managers, consisting of not less than five nor more than seven members, who shall serve for a term of two 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, *including medical facilities or other health facilities*, of the hospital district. The board of managers shall have the power and authority to sue and be sued and to

promulgate rules and regulations for the operation of the hospital or hospital system, *including medical facilities or other health facilities.*

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 to exceed two 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 \$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.

The board of managers shall have the authority to appoint to the staff such doctors, and employ such 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, *including medical facilities or other health facilities*; provided that no contract or term of employment shall exceed the period of two years.

The board of managers, with the approval of the commissioners court shall be authorized to contract with any county for care and treatment of such county's sick, diseased and injured persons, and with the state and agencies of the federal government for the care 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.

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 shall have a seal, on which shall be engraved the name of the hospital district; and said seal shall be kept by the secretary and used in authentication of all acts of the board.

Sec. 10. CUMULATIVE POWERS. The board of managers with the approval of the commissioners court, shall have the power:

(a) To construct, condemn and purchase, purchase and acquire, lease, add to, maintain, operate, develop and regulate, sell, exchange and convey any and all lands, property, property rights, equipment, hospital facilities and systems, *medical facilities or other health facilities* for the maintenance of hospitals, *medical facilities, health facilities*, buildings, structures, and any and all other facilities and services the hospital district may require or may have available to sell, lease or exchange;

(b) To further effectuate such powers, the board of managers, with the approval of the commissioners court, may cooperate and contract with the United States government, the State of Texas, any municipality or other hospital district, or any department of those governing bodies, or with any privately owned or operated hospital, corporate or otherwise, which privately owned or operated hospital is situated in the hospital district; provided, in the opinion of the board of managers and of the commissioners court, such a contract is deemed expedient and advantageous to the hospital district under existing circumstances, and be for such fair and reasonable compensation and on such other terms and for such length of time as may be deemed to further and assist the hospital district in performing its duty to provide medical and hospital care to needy inhabitants of the county.

Sec. 21. STATE SUPPORT. The support and maintenance of the hospital system, *including medical facilities or other health facilities*, of the district and any indebtedness incurred by the district under this Act shall never become a charge against nor an

obligation of the State of Texas, nor shall any direct appropriation be made by the Legislature of the State of Texas for the construction, maintenance or improvement of any of the facilities of the district.

SECTION 2. 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 April 30, 1987, by a non-record vote. Passed by the Senate on May 29, 1987, by the following vote: Yeas 29, Nays 0, 1 present, not voting.

Approved June 19, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.