

1-1 By: Spiller, Rogers (Senate Sponsor - Springer) H.B. No. 3191
 1-2 (In the Senate - Received from the House May 15, 2023;
 1-3 May 15, 2023, read first time and referred to Committee on Local
 1-4 Government; May 19, 2023, reported favorably by the following
 1-5 vote: Yeas 8, Nays 0; May 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the elections and operations of certain hospital
 1-20 districts.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Section 285.081, Health and
 1-23 Safety Code, is amended to read as follows:

1-24 Sec. 285.081. OPTIONAL FOUR-YEAR TERMS.

1-25 SECTION 2. Subchapter G, Chapter 285, Health and Safety
 1-26 Code, is amended by adding Sections 285.082 and 285.083 to read as
 1-27 follows:

1-28 Sec. 285.082. OPTIONAL THREE-YEAR TERMS. (a) The
 1-29 governing board of a hospital district created under general or
 1-30 special law may, on its own motion, order that the members of the
 1-31 governing board are to be elected to serve staggered three-year
 1-32 terms if:

1-33 (1) the members of the governing board serve staggered
 1-34 four-year terms on the date the governing board enters the order;
 1-35 and

1-36 (2) Subsection (b), (c), or (d) applies to the
 1-37 governing board.

1-38 (b) This subsection applies to a governing board of a
 1-39 hospital district with five members. The election of board members
 1-40 in the even-numbered year following the date an order is entered
 1-41 under Subsection (a) in which three board members are to be elected
 1-42 shall be held as previously scheduled. Two of the members elected
 1-43 at that election shall serve three-year terms, and one of the
 1-44 members elected at that election shall serve a four-year term, to be
 1-45 determined by random draw. Board members elected in subsequent
 1-46 elections shall serve three-year terms.

1-47 (c) This subsection applies to a governing board of a
 1-48 hospital district with seven members. The election of board members
 1-49 in the even-numbered year following the date an order is entered
 1-50 under Subsection (a) in which four members are to be elected shall
 1-51 be held as previously scheduled. Two of the members elected at that
 1-52 election shall serve three-year terms and two of the members
 1-53 elected at that election shall serve four-year terms, to be
 1-54 determined by random draw. Board members elected in subsequent
 1-55 elections shall serve three-year terms.

1-56 (d) This subsection applies to a governing board of a
 1-57 hospital district with nine members. The election of board members
 1-58 in the even-numbered year following the date an order is entered
 1-59 under Subsection (a) in which five members are to be elected shall
 1-60 be held as previously scheduled. Two of the members elected at that
 1-61 election shall serve three-year terms and three of the members

2-1 elected at that election shall serve four-year terms, to be
 2-2 determined by random draw. The election of board members in the next
 2-3 even-numbered year following the date an order is entered under
 2-4 Subsection (a) in which four members are to be elected shall be held
 2-5 as previously scheduled. Three of the members elected at that
 2-6 election shall serve three-year terms and one of the members
 2-7 elected at that election shall serve a four-year term, to be
 2-8 determined by random draw. Board members elected in subsequent
 2-9 elections shall serve three-year terms.

2-10 Sec. 285.083. RESIGNATION OF TERM. (a) A member of the
 2-11 governing board of a hospital district is considered to have
 2-12 resigned the member's position if the member is absent from five or
 2-13 more regularly scheduled board meetings that the member is eligible
 2-14 to attend in any 12-month period without an excuse approved by a
 2-15 majority vote of the board.

2-16 (b) A resignation under Subsection (a) is effective on the
 2-17 date of the fifth regularly scheduled board meeting at which the
 2-18 member is absent without an excuse approved by the board.

2-19 (c) The validity of an action of the board is not affected by
 2-20 the fact that the action is taken during a period in which a board
 2-21 member is considered to have resigned under Subsection (a).

2-22 (d) This section does not apply to a hospital district
 2-23 created under Chapter 281.

2-24 SECTION 3. Section 286.022(c), Health and Safety Code, is
 2-25 amended to read as follows:

2-26 (c) The petition may provide:

2-27 (1) the number of directors for the district, which
 2-28 number must be an odd number; ~~and~~

2-29 (2) the method by which directors are to be elected,
 2-30 whether at large, by place, or by a combination of both, so that a
 2-31 specific number of directors are elected from each commissioner
 2-32 precinct and a specific number are elected at large; and

2-33 (3) whether directors will be elected to serve
 2-34 two-year or four-year terms.

2-35 SECTION 4. Section 286.025(a), Health and Safety Code, is
 2-36 amended to read as follows:

2-37 (a) The commissioners court shall give notice of the
 2-38 election by publishing a substantial copy of the election order in a
 2-39 newspaper with general circulation in the proposed district in
 2-40 accordance with Section 4.003, Election Code ~~[once a week for two~~
 2-41 ~~consecutive weeks].~~

2-42 SECTION 5. Section 286.041, Health and Safety Code, is
 2-43 amended to read as follows:

2-44 Sec. 286.041. BOARD OF DIRECTORS. The directors shall be
 2-45 elected at large, by place, or by a combination of both, in
 2-46 accordance with the petition prescribed by Section 286.021.

2-47 SECTION 6. Section 286.042, Health and Safety Code, is
 2-48 amended to read as follows:

2-49 Sec. 286.042. DIRECTOR'S ELECTION. (a) The initial
 2-50 directors shall be elected at an election to be held on the uniform
 2-51 election date ~~[first Saturday]~~ in May following the creation of the
 2-52 district.

2-53 (b) If the directors are elected at large for two-year
 2-54 terms:

2-55 (1) the appropriate number of candidates receiving the
 2-56 highest number of votes at the initial election of directors are
 2-57 directors for the district;

2-58 (2) the number of directors equal to a majority of the
 2-59 directors who receive the highest number of votes at the initial
 2-60 election serve for a term of two years; and

2-61 (3) the remaining directors serve for a term of one
 2-62 year.

2-63 (c) If the directors are elected by place for two-year
 2-64 terms:

2-65 (1) the candidate for a place receiving the highest
 2-66 number of votes for election to that place is a director for the
 2-67 district;

2-68 (2) a director elected to fill an even-numbered place
 2-69 at the initial election serves for a term of one year; and

3-1 (3) a director elected to fill an odd-numbered place
3-2 at the initial election serves for a term of two years.
3-3 (d) If the directors are elected from commissioners
3-4 precincts and at large for two-year terms:
3-5 (1) the number of candidates equal to the number of
3-6 directors to be elected from each precinct who receive the highest
3-7 number of votes from a commissioner precinct are directors for that
3-8 precinct;
3-9 (2) the number of candidates equal to the number of
3-10 directors to be elected at large who receive the highest number of
3-11 votes from the district at large are directors for the district at
3-12 large;
3-13 (3) a candidate elected from an odd-numbered precinct
3-14 at the initial election serves for a term of two years;
3-15 (4) a candidate elected from an even-numbered precinct
3-16 at the initial election serves for a term of one year;
3-17 (5) a candidate elected as the director from the
3-18 district at large at the initial election serves for a term of two
3-19 years; and
3-20 (6) if more than one director is elected at large, half
3-21 of the directors elected serve two-year terms, and the other half
3-22 serve one-year terms.
3-23 (d-1) If the directors are elected at large for four-year
3-24 terms:
3-25 (1) the appropriate number of candidates receiving the
3-26 highest number of votes at the initial election of directors are
3-27 directors for the district;
3-28 (2) the number of directors equal to a majority of the
3-29 directors who receive the highest number of votes at the initial
3-30 election serve for a term of three years if elected in an
3-31 odd-numbered year or four years if elected in an even-numbered
3-32 year; and
3-33 (3) the remaining directors serve for a term of one
3-34 year if elected in an odd-numbered year or two years if elected in
3-35 an even-numbered year.
3-36 (d-2) If the directors are elected by place for four-year
3-37 terms:
3-38 (1) the candidate for a place receiving the highest
3-39 number of votes for election to that place is a director for the
3-40 district;
3-41 (2) a director elected to fill an even-numbered place
3-42 at the initial election serves for a term of one year if elected in
3-43 an odd-numbered year or two years if elected in an even-numbered
3-44 year; and
3-45 (3) a director elected to fill an odd-numbered place
3-46 at the initial election serves for a term of three years if elected
3-47 in an odd-numbered year or four years if elected in an even-numbered
3-48 year.
3-49 (d-3) If the directors are elected from commissioners
3-50 precincts and at large for four-year terms:
3-51 (1) the number of candidates equal to the number of
3-52 directors to be elected from each precinct who receive the highest
3-53 number of votes from a commissioner precinct are directors for that
3-54 precinct;
3-55 (2) the number of candidates equal to the number of
3-56 directors to be elected at large who receive the highest number of
3-57 votes from the district at large are directors for the district at
3-58 large;
3-59 (3) a candidate elected from an odd-numbered precinct
3-60 at the initial election serves for a term of three years if elected
3-61 in an odd-numbered year or four years if elected in an even-numbered
3-62 year;
3-63 (4) a candidate elected from an even-numbered precinct
3-64 at the initial election serves for a term of one year if elected in
3-65 an odd-numbered year or two years if elected in an even-numbered
3-66 year;
3-67 (5) a candidate elected as the director from the
3-68 district at large at the initial election serves for a term of three
3-69 years if elected in an odd-numbered year or four years if elected in

4-1 an even-numbered year; and
 4-2 (6) if more than one director is elected at large, half
 4-3 of the directors elected at large serve for a term described by
 4-4 Subdivision (4) for a candidate elected from an even-numbered
 4-5 precinct, and the other half serve for a term described by
 4-6 Subdivision (3) for a candidate elected from an odd-numbered
 4-7 precinct.

4-8 (e) After the initial election of directors, an election
 4-9 shall be held on the uniform election date [~~first Saturday~~] in May
 4-10 of each year or every other year, as applicable, to elect the
 4-11 appropriate number of successor directors for two-year terms or
 4-12 four-year terms as specified in the petition to create the
 4-13 district.

4-14 SECTION 7. Section 286.043, Health and Safety Code, is
 4-15 amended to read as follows:

4-16 Sec. 286.043. NOTICE OF ELECTION. Notice [~~Before the 35th~~
 4-17 ~~day before the date of an election of directors, notice~~] of an [the]
 4-18 election shall be published [~~one time~~] in a newspaper with general
 4-19 circulation in the district in accordance with Section 4.003,
 4-20 Election Code.

4-21 SECTION 8. The heading to Section 286.044, Health and
 4-22 Safety Code, is amended to read as follows:

4-23 Sec. 286.044. APPLICATION FOR PLACE ON BALLOT [~~PETITION~~].

4-24 SECTION 9. Section 286.044(a), Health and Safety Code, is
 4-25 amended to read as follows:

4-26 (a) A person who wishes to have the person's name printed on
 4-27 the ballot as a candidate for director must file an application with
 4-28 the secretary of the board in accordance with Chapter 144, Election
 4-29 Code.

4-30 SECTION 10. Section 286.053, Health and Safety Code, is
 4-31 amended to read as follows:

4-32 Sec. 286.053. APPOINTMENTS TO STAFF. The board may:

4-33 (1) appoint to the staff any health care practitioners
 4-34 [~~doctors~~] the board considers necessary for the efficient operation
 4-35 of the district; and

4-36 (2) grant clinical privileges on a [make] temporary or
 4-37 emergency basis as [appointments] the board considers necessary.

4-38 SECTION 11. Section 286.078(b), Health and Safety Code, is
 4-39 amended to read as follows:

4-40 (b) The board may enter into a public work contract as
 4-41 authorized under Chapter 2269, Government Code [~~construction~~
 4-42 ~~contracts that involve spending more than \$10,000 only after~~
 4-43 ~~competitive bidding as provided by Subchapter B, Chapter 271, Local~~
 4-44 ~~Government Code~~].

4-45 SECTION 12. Section 286.101(f), Health and Safety Code, is
 4-46 amended to read as follows:

4-47 (f) [~~The election shall be held after the 45th day and on or~~
 4-48 ~~before the 60th day after the date the election is ordered.~~] The
 4-49 election shall be ordered and notice of the election shall be given
 4-50 in the same manner as provided by Sections 286.024 and 286.025 for
 4-51 ordering and giving notice of an election authorizing creation of
 4-52 the district. Section 41.001(a), Election Code, does not apply to
 4-53 an election held under this section.

4-54 SECTION 13. Section 286.102(c), Health and Safety Code, is
 4-55 amended to read as follows:

4-56 (c) [~~The election shall be held not later than the 60th day~~
 4-57 ~~after the date the election is ordered.~~] Section 41.001(a),
 4-58 Election Code, does not apply to an election ordered under this
 4-59 section.

4-60 SECTION 14. Section 286.129, Health and Safety Code, is
 4-61 amended to read as follows:

4-62 Sec. 286.129. SPENDING AND INVESTMENT LIMITATIONS. (a)
 4-63 Except as provided by Sections [Section] 286.078(a), [~~and by~~
 4-64 ~~Sections~~] 286.141, 286.144, and 286.145, and Chapter 315, the
 4-65 district may not incur a debt payable from revenues of the district
 4-66 other than the revenues on hand or to be on hand in the current and
 4-67 immediately following fiscal year of the district.

4-68 (b) The board may invest operating, depreciation, or
 4-69 building reserves only in investments authorized under Chapter

5-1 2256, Government Code [~~+~~
5-2 [~~(1) bonds of the United States,~~
5-3 [~~(2) certificates of indebtedness issued by the United~~
5-4 ~~States secretary of the treasury,~~
5-5 [~~(3) bonds of this state or a county, municipality, or~~
5-6 ~~school district of this state, or~~
5-7 [~~(4) shares or share accounts of savings and loan~~
5-8 ~~associations organized under the laws of this state or federal~~
5-9 ~~savings and loan associations domiciled in this state, if the~~
5-10 ~~shares or share accounts are insured by the Federal Deposit~~
5-11 ~~Insurance Corporation].~~

5-12 SECTION 15. Section 1023.054(a), Special District Local
5-13 Laws Code, is amended to read as follows:

5-14 (a) If a [A] vacancy occurs in the office of director, the
5-15 remaining directors shall appoint a director [shall be filled] for
5-16 the unexpired term [~~at the next regular election~~].

5-17 SECTION 16. Section 1070.111, Special District Local Laws
5-18 Code, is amended to read as follows:

5-19 Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction
5-20 contract that involves the expenditure of more than \$10,000 may be
5-21 made only after advertising in the manner provided by Chapter 252,
5-22 Local Government Code, or Subchapter B, Chapter 271, Local
5-23 Government Code [~~, or Section 286.078, Health and Safety Code~~].

5-24 SECTION 17. The following provisions of the Health and
5-25 Safety Code are repealed:

- 5-26 (1) Section 286.023(g);
- 5-27 (2) Section 286.025(b); and
- 5-28 (3) Section 286.044(b).

5-29 SECTION 18. This Act takes effect September 1, 2023.

5-30 * * * * *