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AN ACT

relating to the powers and duties of the Gainesville Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 4, Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, is amended to read as follows:

Sec. 4. (a) The district is governed by a board of nine directors.

(b) Directors serve staggered three-year terms ~~(Upon the effective date of this Act, the following named nine persons shall be and constitute the temporary or provisional directors of the said district:~~

- | | |
|---------------------------------------|----------------------------------|
| 1--Lambert Bezner | 6--Dr. Harry M. Roark |
| 2--Dr. James R. Cole | 7--J. Robert Evans |
| 3--L. V. Henry | 8--W. W. Weems |
| 4--E. J. (Junior) Hudspeth | 9--E. E. Wright |
| 5--Joe B. Hundt | |

~~and each of said directors shall subscribe to the constitutional oath of office within 60 days of the effective date of this Act. Should any of the named directors refuse to act or for any reason fail to qualify as herein required, the County Judge of Cooke County shall fill such vacancy. The terms of office of the first, third, fifth, seventh, and ninth named directors shall expire on the first Saturday in April of the year following the election for the~~

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1 ~~creation of the district, and the terms of the second, fourth,~~
2 ~~sixth, and eighth named directors shall expire on the first~~
3 ~~Saturday in April of the second year following the election for the~~
4 ~~creation of the district].~~

5 (c) A regular election for directors shall be held on the
6 uniform election date in May [~~first Saturday in April~~] of each year
7 to elect the appropriate number of directors. [~~The regular~~
8 ~~election for directors shall be ordered by the board, and such order~~
9 ~~shall state the time, place, and purpose of the election, and the~~
10 ~~board shall appoint the presiding judge who shall appoint an~~
11 ~~assistant judge and such clerks as may be required, and such~~
12 ~~election shall be ordered at least 30 days prior to the date on~~
13 ~~which it is to be held.] Any person desiring the person's [~~his~~]
14 name to be printed on the ballot as a candidate for director shall
15 file an application [~~a petition, signed by not less than 15~~
16 ~~qualified voters asking that such name be printed on the ballot,~~
17 with the secretary of the board of directors of the district in
18 accordance with Chapter 144, Election Code. [~~Such petition shall~~
19 ~~be filed with such secretary at least 25 days prior to the date of~~
20 ~~election.] Notice of such election shall be published [~~one time~~] in
21 a newspaper of general circulation in the area of the district in
22 accordance with Section 4.003, Election Code [~~at least 20 days~~
23 ~~before the election].~~~~~~

24 (d) All vacancies in office [~~other than for the failure of~~
25 ~~an original director herein appointed to qualify)] shall be filled
26 by a majority vote of the remaining directors, and such appointees
27 shall hold office for the unexpired terms for which they were~~

1 appointed.

2 (e) A director who fails to attend at least four regular
3 meetings in any 12-month period is considered to have resigned the
4 director's position, effective immediately on the date of the
5 fourth absence. Further action is not required by the director or
6 the board to effectuate a vacancy under this subsection. A vacancy
7 created by a resignation under this subsection shall be filled as
8 provided by Subsection (d) of this section.

9 (f) No director shall be entitled to compensation but shall
10 be entitled to receive his actual expenses incurred in attending to
11 the district's business, provided such expenses are approved by the
12 remainder of the board.

13 (g) To be qualified to hold office as a director of the
14 district, a person must be a resident of the district and a
15 registered voter [and own property therein subject to
16 hospital-district taxation].

17 (h) The board of directors shall elect from its number a
18 president, vice-president, secretary, and such other officers as in
19 the judgment of the board are necessary[. The president shall be
20 the chief executive officer of the district and shall have the same
21 right to vote as any other director. The vice-president shall
22 perform all duties and exercise all powers conferred by this Act
23 upon the president when the president is absent or fails or declines
24 to act.

25 [The directors named herein and their successors in office
26 shall hold office as provisional or temporary directors until such
27 time as the creation of the district has been approved at an

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1 ~~election as herein provided. At such time as the creation of the~~
2 ~~district is so approved and the returns of the election officially~~
3 ~~canvassed, the persons acting as provisional or temporary directors~~
4 ~~shall become permanent directors whose terms shall expire as~~
5 ~~hereinabove provided].~~

6 (1) Each [permanent] director and his successor in office
7 shall qualify by executing the constitutional oath of office.

8 (j) A majority of the board shall constitute a quorum for
9 the transaction of business.

10 SECTION 2. Section 5, Chapter 211, Acts of the 64th
11 Legislature, Regular Session, 1975, is amended to read as follows:

12 Sec. 5. (a) The board of directors shall manage, control,
13 and administer the hospital system and the funds and resources
14 ~~[hospital facilities to provide medical and hospital care for needy~~
15 ~~residents]~~ of the district. The district through its board of
16 directors shall have the power and authority to sue and be sued and
17 to promulgate rules and regulations governing the operation of the
18 district.

19 (b) The board of directors shall appoint a qualified person
20 to be known as the administrator [~~or manager~~] of the hospital
21 district and may in its discretion appoint an assistant to the
22 administrator [~~or manager~~]. Such administrator [~~or manager~~] and
23 assistant administrator [~~or assistant manager~~], if any, shall serve
24 at the will of the board and shall receive such compensation as may
25 be fixed by the board. The administrator [~~or manager~~] shall, upon
26 assuming his duties, execute a bond payable to the hospital
27 district in an amount to be set by the board of directors, in no

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1 event less than \$5,000, conditioned that he shall perform the
2 duties required of him, and containing such other conditions as the
3 board may require. The board may pay for the bond with district
4 funds. The administrator [~~or manager~~] shall supervise all the work
5 and activities of the hospital district and shall have general
6 direction of the affairs of the district, subject to such
7 limitations as may be prescribed by the board.

8 (c) The board of directors [~~, with the administrator,~~] shall
9 have the authority to appoint to or dismiss from the medical staff
10 [admit] such physicians, dentists, and podiatrists as the board
11 determines are [~~doctors or employ technicians, nurses, and other~~
12 ~~employees of every kind and character as may be deemed~~] necessary
13 for the efficient operation of the hospital district [~~or may~~
14 ~~provide that the administrator or manager shall have the authority~~
15 ~~to admit or employ such persons~~].

16 (d) The district may employ technicians, nurses, fiscal
17 agents, accountants, architects, additional attorneys, and other
18 necessary employees. The board may delegate to the administrator
19 the authority to employ persons for the district.

20 (e) Such board shall be authorized to contract with any
21 county or incorporated municipality located outside the district
22 for the care and treatment of the sick, diseased, or injured persons
23 of any such county or municipality and shall have the authority to
24 contract with the State of Texas and agencies of the federal
25 government for treatment of sick, diseased, or injured persons for
26 whom the State of Texas or the federal government is responsible.
27 The board of directors is also authorized to enter into such

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1 contracts or agreements with the State of Texas or the federal
2 government as may be required to establish or continue a retirement
3 program for the benefit of the district's employees.

4 (f) The board may also enter into a contract or contracts
5 with nonprofit corporations whereby such corporations agree to
6 provide administrative and other personnel for the operation of the
7 hospital facilities, but in no event may such contract be for a
8 period in excess of 25 years from the date the same is executed.

9 (g) The board of directors of such district shall have the
10 power to prescribe the method and manner of making purchases and
11 expenditures by and for such hospital district and also shall be
12 authorized to prescribe all accounting and control procedures and
13 to make such rules and regulations as may be required to carry out
14 the provisions of this Act. The board is given exclusive authority
15 to determine the type, character, and use of the facilities forming
16 a part of the hospital system.

17 SECTION 3. (a) The election of directors scheduled before
18 the effective date of this Act to be held in May, 2008, shall be
19 held, and the three directors who receive the highest number of
20 votes shall each be elected to serve three-year terms. The two
21 remaining directors elected shall be elected to serve two-year
22 terms. Successor directors shall serve three-year terms.

23 (b) Four directors shall be elected in 2009. The director
24 who receives the highest number of votes shall be elected to serve a
25 four-year term. The three remaining directors elected shall be
26 elected to serve three-year terms. Successor directors shall serve
27 three-year terms.

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1 SECTION 4. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2007. _____

David Dewhurst
President of the Senate

Tom Caspiche
Speaker of the House

I hereby certify that S.B. No. 1165 passed the Senate on
April 19, 2007, by the following vote: Yeas 31, Nays 0. _____

Datsy Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1165 passed the House on
May 17, 2007, by the following vote: Yeas 143, Nays 0, two
present not voting. _____

Robert Haney
Chief Clerk of the House

Approved:

15 JUN 07
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3 PM O'CLOCK

JUN 15 2007

Roger Williams
Secretary of State