

**BILL ANALYSIS**

C.S.H.B. 3333  
By: Clardy  
Public Health  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties believe that the application of statutory provisions relating to the investment of funds by a municipal hospital authority should be expanded to include additional population brackets. C.S.H.B. 3333 seeks to address this issue.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.H.B. 3333 amends the Health and Safety Code to change the applicability of provisions authorizing a municipal hospital authority to invest authority funds in a specified manner from an authority that is located in a county of 3.3 million or more, that has no outstanding bonds, and that does not own or operate a hospital to an authority that is located in a county of 2.4 million or more or located in a municipality of less than 15,000, that has assets that exceed the amount of any outstanding bonds, and that does not operate a hospital.

**EFFECTIVE DATE**

September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3333 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 262.012(b), Health and Safety Code, is amended to read as follows:

No equivalent provision.

(b) The resolution authorizing the issuance of revenue bonds or the trust indenture securing the bonds may prescribe the

method of selecting a majority of the directors and the term of office of those directors, and the terms of directors appointed before the issuance of the bonds are subject to the resolution or trust indenture. The governing body or governing bodies shall appoint the remaining directors. The method of selecting directors and the term of office of those directors prescribed by the resolution or trust indenture remains in place after retirement of the bonds.

SECTION 2. Section 262.039(a), Health and Safety Code, is amended to read as follows:

- (a) This section applies only to an authority that:
- (1) is located in:  
(A) a county of 2.4 [3.3] million or more;  
or  
(B) a municipality of less than 15,000;
  - (2) has assets that exceed the amount of any [nø] outstanding bonds issued under Subchapter D; and
  - (3) does not ~~own or~~ operate a hospital.

SECTION 3. Section 315.002(c), Health and Safety Code, is amended to read as follows:

- (c) A loan authorized by this section must mature:
- (1) not later than the first anniversary of the date the loan is made, if taxes are pledged to repay the loan; ~~and~~
  - (2) not later than the fifth anniversary of the date the loan is made, if hospital revenue is pledged to repay the loan; and
  - (3) not later than the 30th anniversary of the date the loan is made, if at least 80 percent of the loan value is guaranteed by a federal loan guarantee program available to health care facilities, notwithstanding Subdivisions (1) and (2).

SECTION 4. Section 223.034, Health and Safety Code, is repealed.

SECTION 5. This Act takes effect September 1, 2015.

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SECTION 2. Same as introduced version.