

## **BILL ANALYSIS**

Senate Research Center  
76R13024 KLA-D

S.B. 1881  
By: Nixon  
Intergovernmental Relations  
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As Filed

### **DIGEST**

In 1992, the voters of Nacogdoches County adopted a one cent sales tax to replace the ad valorem tax their hospital district received. However, the Nacogdoches County Hospital District now has limited funding options. As a result of the limitation, the hospital district does not have the cash reserves to fund expansion. S.B. 1881 would expand the funding mechanism for the hospital district, including the ability to borrow funds with sales tax as collateral.

### **PURPOSE**

As proposed, S.B. 1881 authorizes certain funding options for the Nacogdoches County Hospital District.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the board of directors of the Nacogdoches County Hospital District in SECTION 1 (Section 10(d), Chapter 431, Acts of the 60th Legislature, Regular Session, 1967) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 7, 9, and 10, Chapter 431, Acts of the 60th Legislature, Regular Session, 1967, to authorize the board of directors of the Nacogdoches County Hospital District (board) to issue and sell its bonds, notes, or other obligations payable from the sale and use tax revenues of the district to acquire land for the hospital system and to purchase or work on buildings or equipment related to the hospital system. Sets forth guidelines for the purchase and acquisition of certain property. Authorizes the board to enter into contracts for construction, and determine certain methods that provide the best value to the district, but must employ certain considerations. Authorizes the state auditor to purchase goods or services for the district. Authorizes the board to adopt rules and procedures for the acquisition of goods or services. Provides that this section prevails over any conflicting law relating to the purchasing of goods and services. Provides that Chapters 2151 and 2254, Government Code, do not apply to purchases of goods and services made under this section. Authorizes the board to incur obligations, including a lease or lease-purchase agreement for real property, facilities, or equipment for use in the hospital system payable from the pledged sales and use tax revenues of the district. Authorizes the district to allocate a portion of its annual sales and use tax revenue, but not to exceed a certain percentage, to encourage economic development in the district as described by Section 52-a, Article III, Texas Constitution. Deletes a provision that grants discretion to the board to determine which buildings are required for an adequate hospital system. Deletes the authority for the Nacogdoches County Hospital District to conduct certain leasing and purchasing arrangements. Deletes a provision that authorizes all contract for construction or purchases involving the expenditure of more than \$10,000 to be made only after certain advertising. Makes conforming changes.

SECTION 2. Emergency clause.  
Effective date: upon passage.