

BILL ANALYSIS

Senate Research Center
77R7270 YDB-D

H.B. 170
By: Christian (Staples)
Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Under current law, the Nacogdoches County Hospital District (district) is not authorized to create a charitable organization or a nonprofit corporation to provide or arrange for various health care services for the district. Such measures have been implemented in other hospital districts in the state. H.B. 170 sets forth and modifies provisions regarding the issuance of bonds and public securities by the district and authorizes the board of directors of the district to create a charitable organization and a nonprofit corporation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 7, Chapter 431, Acts of the 60th Legislature, Regular Session, 1967, as follows:

Sec. 7. (a) Replaces the text “in Article 704, Revised Statutes” with “ by Section 1251.003, Government Code.”

(b) Deletes text requiring refunding bonds to bear interest at the same or lower rate than borne by the debt refunded, unless it is shown mathematically that a saving will result in the total amount of interest to be paid on said refunding bonds. Deletes text requiring refunding bonds to be issued and payments of outstanding indebtedness to be made in the manner specified by Chapter 503, Acts of the 54th Legislature, 1955, as amended (Article 717k, V. T. C. S.) if such bonds are to be sold and the proceeds applied to such payments.

(c) Requires a public security issued by the Nacogdoches County Hospital District (district) to bear interest at a rate not to exceed the maximum interest rate allowed by Chapter 1204, Government Code. Deletes text requiring the bonds of the district to bear interest not to exceed six percent per annum. Deletes text requiring bonds to be executed in the the name of the hospital district and in its behalf by the president of the board and countersigned by the secretary. Requires bonds to be executed in the manner provided by Chapter 618, Government Code (rather than Chapter 204, Acts of the 57th Legislature, Regular Session, 1961 (Article 717j-1, V.T.C.S.), as amended), and requires bonds to be subject to the requirements of Chapter 1202, Government Code. Deletes text regarding approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts and make conforming changes.

SECTION 2. Amends Section 17, Chapter 431, Acts of the 60th Legislature, Regular Session, 1967, as follows:

Sec. 17. (a) Requires the application procedure to determine eligibility for indigent health care to be adopted not later than the beginning of each operating year and to comply with Chapter 61, Health and Safety Code.

(b) Makes a nonsubstantive change. Authorizes the administrator or manager, whenever a patient residing within the district has been admitted to a district facility (rather than the facilities thereof), to cause inquiry to be made as to the patient's financial circumstances and the financial circumstances of the relatives of such patient legally liable for the patient's support.

(c) Makes a nonsubstantive change. Requires the administrator or manager, if the administrator or manager finds that such patient or said relatives are able to pay for the patient's care and treatment in whole or in part, to issue an order directing such patient or said relatives to pay to the hospital district for the care and support of such patient a specified sum for an agreed term regarding payment that is (rather than per week) in proportion to their financial ability.

(d) - (f). Makes conforming and nonsubstantive changes.

SECTION 3. Amends Section 18, Chapter 431, Acts of the 60th Legislature, Regular Session, 1967, as follows:

Sec. 18. (a) Makes a nonsubstantive change.

(b) Authorizes the board of directors to facilitate achievement of the purpose of the district by creating a charitable organization for certain purposes. Defines "charitable organization." Provides that a charitable organization created by the board under this subsection is a unit of local government for the purposes of Chapter 101, Civil Practice and Remedies Code.

(c) Sets forth guidelines regarding the powers of the district. Authorizes the corporation to use funds, other than funds paid by the corporation to the district, only for certain purposes. Requires the board of directors to establish adequate controls to ensure that the corporation uses its funds as required by this subsection. Authorizes the corporation to invest corporation funds in any manner in which the district may invest funds, including investing funds as authorized by Chapter 2256, Government Code.

SECTION 4. Effective date: September 1, 2001.