

BILL ANALYSIS

Senate Research Center
77R9033 JMG-D

H.B. 2658
By: Counts (Haywood)
Intergovernmental Relations
5/8/2001
Engrossed

DIGEST AND PURPOSE

At a specially called meeting of the Knox County Hospital District (district) board of directors, a resolution was adopted to request the legislature to add borrowing authority to the enabling legislation of the district. The board may need the authority to borrow money on a short-term basis to pay the operating expenses of the district and to meet the other lawfully authorized obligations of the district. H.B. 2658 authorizes the district to borrow money for short-term financing of day-to-day operations of the district.

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 Chapter 241, Acts of the 60th Legislature, Regular Session, 1967, by adding Section 6A, as follows:

Sec. 6A. (a) Authorizes the board of directors to borrow money at a rate of interest determined to be appropriate by the board of directors.

(b) Authorizes the board, in order to secure a loan, to pledge certain items

(c) Requires a loan authorized by this section to mature not later than the fifth anniversary of the date on which the loan was made.

SECTION 2. Effective date: upon passage or September 1, 2001.