

## **BILL ANALYSIS**

Senate Research Center  
77R9138 JMG-D

H.B. 2875  
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Intergovernmental Relations  
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Engrossed

### **DIGEST AND PURPOSE**

Current law does not allow the Matagorda County Hospital District (district) to lease property or to borrow money for the purposes of operating and maintaining the district. H.B.2875 authorizes the board of managers of the district to lease district property and to enter into a loan agreement.

### **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 41, Acts of the 59th Legislature, Regular Session, 1965, by adding Section 4A, as follows:

Sec. 4A. Requires the board of managers to transfer by lease to individuals, companies, corporations, or other legal entities district property, facilities, or equipment on terms determined by the board to further the purposes of the Matagorda County Hospital District (district). Prohibits the term of a lease entered into under this section from exceeding 25 years from the date the lease is entered into.

SECTION 2. Amends Chapter 41, Acts of the 59th Legislature, Regular Session, 1965, by adding Section 10B, as follows:

Sec. 10B. Authorizes the board of managers to borrow money at a rate of interest determined to be reasonable by the board. Authorizes the board of managers to pledge certain revenues in order to secure a loan. Prohibits the board of managers from using loan proceeds obtained under this section for any purpose other than the operational and capital requirements of the district.

SECTION 3. Effective date: upon passage or September 1, 2001.