

BILL ANALYSIS

Senate Research Center
78R5646 KEG-D

H.B. 1631
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Kimble County Hospital District was authorized and created by an Act of the 62nd Legislature, Regular Session, 1971, to establish a hospital system within its boundaries to furnish a hospital and medical care to the residents of the district. As proposed, H.B. 1631 changes the terms of the district's board of directors from a two to three-year term, and authorizes the board to issue and sell bonds to borrow money.

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 Sections 5(f) and (g), Chapter 873, Acts of the 62nd Legislature, Regular Session, 1971, as follows:

(f) Requires an election, each year on the first Saturday in May, rather than April, to be held for the purpose of electing the appropriate number of directors to the board of the Kimble County Hospital District (district).

(g) Provides that a director holds office for a term of three, rather than two, years and until his successor is elected and has qualified.

SECTION 2. Amends Chapter 873, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 11A, as follows:

Sec. 11A. Revenue bonds. Authorizes the board to issue and sell revenue bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair, renovate, or equip buildings or improvements for district purposes. Requires the bonds to be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system. Authorizes the bonds to be additionally secured by a mortgage or deed of trust on all or part of the district's property. Requires the revenue bonds to be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for the issuance of revenue bonds by county hospital authorities.

SECTION 3. Amends Chapter 873, Acts of the 62nd Legislature, Regular Session, 1971, by adding Section 12A, as follows:

Sec. 12A. Authority to borrow money. (a) Authorizes the board to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time of the loan.

(b) Authorizes the board, to secure a loan, to pledge:

(1) revenues of the district that are not pledged to pay the bonded indebtedness of the district;

(2) district taxes to be levied by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) Requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date on which the loan is made. Requires a loan for which district revenues are pledged to mature not later than the fifth anniversary of the date on which the loan is made.

SECTION 4. (a) Requires the election of the board of directors of the Kimble County Hospital District scheduled before the effective date of this Act to be held in May 2004 to be held, and requires the directors elected at that election to draw lots to determine which two directors to serve three-year terms and which two directors to serve two-year terms.

(b) Requires the election of the board of directors scheduled before the effective date of this Act to be held in May 2005 to be held, and the directors elected at that election to serve three-year terms.

(c) Requires the directors elected at the elections to be held in May 2006, May 2007, and May 2008 to serve three-year terms.

SECTION 5. Effective date: upon passage or September 1, 2003.