

BILL ANALYSIS

Senate Research Center
81R25835 ALB-F

H.B. 1686
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Muenster Hospital District (district) is having difficulty recruiting and maintaining physicians; a common problem in many rural areas across the state. The district's enabling legislation does not provide the options needed by the district to borrow funds and issue bonds.

H.B. 1686 relates to the Muenster Hospital 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 477, Acts of the 59th Legislature, Regular Session, 1965, by adding Sections 9A and 9B, as follows:

Sec. 9A. Authorizes the board of directors (board) of the Muenster Hospital District (district), in addition to the authority to issue general obligation bonds and revenue bonds under this Act, to provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 9 (relating to a tax levied by the board in the issuance of bonds and the board's authority to issue and sell bonds) of this Act and revenue and other sources authorized by Section 7 (relating to the district's authority to issue revenue bonds for certain purposes) of this Act.

Sec. 9B. Authorizes the district to use the proceeds of the bonds issued under this Act to pay certain expenses, payments, and costs related to bonds.

SECTION 2. Amends Section 20a(a), Chapter 477, Acts of the 59th Legislature, Regular Session, 1965, to authorize 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, rather than to authorize the board, if the board declares that funds are not available to meet the lawfully authorized obligations of the district and that an emergency exists, 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.

SECTION 3. Repealer: Section 20a(d) (relating to prohibiting the board from spending money obtained from a loan for certain purposes), Chapter 477, Acts of the 59th Legislature, Regular Session, 1965.

SECTION 4. Effective date: upon passage or September 1, 2009.