

## **BILL ANALYSIS**

Senate Research Center  
81R29705 ALB-F

H.B. 4704  
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Intergovernmental Relations  
5/21/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 63rd Legislature enacted legislation creating the Starr County Hospital District (district) in 1973. The district would like to amend the legislation to add provisions regarding borrowing of funds.

H.B. 4704 amends the Special District Local Laws Code to authorize the board of directors of the district (board) to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made. The bill permits the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds, or a district bond that has been authorized but not sold.

### **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 118, Acts of the 63rd Legislature, Regular Session, 1973, by adding Section 5B, as follows:

Sec. 5B. (a) Authorizes the board of directors of Starr County Hospital District (board) to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for Starr County Hospital District (district) obligations at the time the loan is made.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds, or a district bond that has been authorized but not sold.

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

SECTION 2. Effective date: upon passage or September 1, 2009.