

BILL ANALYSIS

Senate Research Center
81R4575 ALB-F

S.B. 1987
By: Estes
Intergovernmental Relations
4/6/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As in other rural areas of Texas, it is becoming increasingly difficult to recruit and retain physicians in the Electra Hospital District (district). The district could operate more efficiently with the ability to employ physicians. The district also needs expanded financing options.

As proposed, S.B. 1987 authorizes the hospital district to employ physicians, dentists, and podiatrists, and to establish a comprehensive program to provide income and medical benefits to injured employees. The bill also authorizes the hospital district to borrow money, and authorizes additional means of securing repayment of bonds.

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 Section 1025.062, Special District Local Laws Code, as effective April 1, 2009, by adding Subsections (d) and (e), as follows:

(d) Authorizes the board of directors (board) of the Electra Hospital District (district) to employ physicians, dentists, and podiatrists as the board considers necessary for the efficient operation of the district.

(e) Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

SECTION 2. Amends Subchapter C, Chapter 1025, Special District Local Laws Code, as effective April 1, 2009, by adding Section 1025.116, as follows:

Sec. 1025.116. BENEFITS FOR INJURED EMPLOYEES. (a) Authorizes the district to establish a comprehensive program to provide income and medical benefits to a district employee who sustains an injury that arises out of and in the course and scope of employment.

(b) Exempts the district, if the district adopts a comprehensive program under Subsection (a), from Section 504.011 (Method of Providing Coverage), Labor Code, to the extent that the section requires the district to provide worker's compensation to its employees.

SECTION 3. Amends Subchapter D, Chapter 1025, Special District Local Laws Code, as effective April 1, 2009, by adding Section 1025.161, as follows:

Sec. 1025.161. AUTHORITY TO BORROW MONEY; SECURITY. (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 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 4. Amends Subchapter E, Chapter 1025, Special District Local Laws Code, as effective April 1, 2009, by adding Sections 1025.209 and 1025.210, as follows:

Sec. 1025.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. Authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, to provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1025.202 (Tax to Pay General Obligation Bonds) and revenue and other sources authorized by Section 1025.206 (Revenue Bonds).

Sec. 1025.210. USE OF BOND PROCEEDS. Authorizes the district to use the proceeds of bonds issued under this subchapter to pay:

- (1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;
- (2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;
- (3) costs related to the operation and maintenance of a project or facility to be provided through the bonds during an estimated period of acquisition or construction, not to exceed five years; and for one year after the project or facility is acquired and constructed;
- (4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
- (5) costs related to the bond issuance;
- (6) costs related to the acquisition of land or interest in land for a project or facility to be provided through the bonds; and
- (7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

SECTION 5. Effective date: upon passage or September 1, 2009.