

## **BILL ANALYSIS**

H.B. 1030  
By: Hardcastle  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Act creating the Hardeman County Hospital District (district) was passed by the 66th Legislature in 1979 and amended by the 76th Legislature in 1999. The district's enabling legislation requires additional updating to conform with current laws and amendment to allow the district to use a combination of taxes and revenues to pay for and secure bonds approved by district voters. The district can currently use taxes or revenues to pay for and secure bonds, but without such an amendment, the district cannot use a combination of taxes and revenues to pay for and secure bonds issued by the district. Also, the district would like to validate certain warrants previously issued, which evidence borrowings of the district. House Bill 1030 updates the enabling legislation of the Hardeman County Hospital District, authorizes the district to use a combination of taxes and revenues to pay for and secure bonds approved by district voters, and validates previously issued notes, warrants and other obligations of the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

House Bill 1030 amends the district's enabling legislation to require that the board invest and reserves in accordance with Chapter 2256 of the Government Code (the Public Funds Investment Act). The bill authorizes the district to sponsor and create a nonprofit corporation under the Texas Non-Profit Corporation Act and sets forth provisions regarding the use of funds by such corporation (SECTION 1).

The bill requires the district to conduct any bond election in accordance with the provisions of Chapter 1251 of the Government Code and provides that Section 41.001(a) of the Election Code, regarding uniform election dates, does not apply to a bond election ordered by the district's board of directors. The bill requires the district to issue revenue bonds in accordance with Chapter 1207 of the Government Code. The bill updates the references to statutory provisions regarding the maturation, execution and interest rate of bonds issued by the district (SECTION 2).

The bill authorizes the board to provide for the security and payment of district bonds from taxes and/or revenues of the district. The bill authorizes the district to use the proceeds of bonds to pay bond expenses, interest payments on the bonds, operation and maintenance costs of a project or facility provided through the bonds during acquisition and construction and for one year thereafter, costs related to the financing of bond funds, costs related to the issuance of bonds, costs related to the acquisition of land for a project or facility to be provided through bonds, and construction costs for such a facility (SECTION 3).

The bill authorizes the board to enter into a contract for construction that requires expenditures of more than the minimum amount prescribed by Sec. 271.024 of the Local Government Code only after competitive bidding (SECTION 4).

The bill validates the previous issuance by the district of notes, warrants and other obligations evidencing

borrowings of the district and provides that such validated notes, warrants and obligations may be refunded by refunding bonds payable by taxes and/or revenues of the district (SECTION 5).

**EFFECTIVE DATE**

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.