

BILL ANALYSIS

C.S.H.B. 2764
By: Garza
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Small municipal hospital authorities are finding it difficult to meet the continuous growth and demands of their service delivery area. Currently a municipal hospital authority established under the Health and Safety Code, Chapter 262, Subchapter C, Section 262.0225, may borrow money from a federally insured lending institution for any of the authority's purposes, if the authority is created by a municipality with a population of less than 5,000. Therefore, by inference, those authorities that are created by a municipality with a population greater than 5,000 may not borrow money.

The purpose of HB 2764 is to increase that population limit to 25,000. During the normal course of operation, most businesses have a need to borrow money for various reasons, regardless of the size of the town in which they are located. HB 2764 eliminates major operational problems for small municipal hospital authorities.

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

Section 1: House Bill 2764 amends the *Health and Safety Code* by changing Subchapter C, Section 262.0225 (a) to have this section applied only to an authority created by a municipality with a population of less than 25,000 instead of 5,000.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2764 differs from the original in that it changes the caption to read as follows "relating to the authority of certain municipal hospital authorities to borrow money."