

BILL ANALYSIS

C.S.H.B. 2952
By: Kuempel
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, most public county hospitals operate as a part of a hospital district. However, the public hospitals of Guadalupe County and Medina County are run by a board of managers jointly funded by a municipality and the appropriate county. Current statute does not explicitly allow joint county and municipal hospitals to pledge real property to obtain a bank loan as other hospitals and districts are able to do under their statutes. This bill will afford these joint hospitals the same opportunities for funding and growth that are available to all other hospitals in the state.

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

HB 2952 gives a joint county and municipal hospital the authority to borrow money in the name of the hospital.

Adds Section 265.0177 to allow the hospital to borrow money in the name of the hospital. The allowable terms are laid out, and they must be found to be reasonable by the board of managers. Certain safeguards are included in the bill such as the length and terms of the loan, approval by the commissioners court and governing body of the municipality, and that the holder of the loan can not demand payment.

Section 265.0178 is added to allow the loan to be paid from revenues, income or resources of the hospital or secured by a deed or interest in the real property of the hospital.

Section 265.0179 states the only purposes for which the loan money may be used. It is limited to the costs and maintenance of hospital facilities and real property.

EFFECTIVE DATE

This Act takes immediate effect on the approval of the appropriate number of house and senate members or on September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute is a Legislative Council clean-up with one addition. The new language will require the county and city, not only to approve the terms of the loan using hospital property as collateral, but to also approve the idea of a loan itself. This will allow greater oversight by the county and city governing bodies that fund the hospital.