

## **BILL ANALYSIS**

S.B. 821  
By: Fraser  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, the two existing hospitals in Comanche County, DeLeon Hospital and Comanche Community Hospital, are too small to survive in the current health care environment. Two years ago, administrators began an attempt to consolidate into a new, centrally located, county hospital of sufficient size to survive and prosper. Following an extensive public education campaign, Comanche County voters overwhelmingly supported the proposal to consolidate the two districts. S.B. 821 allows the district to access the low cost borrowed funds for construction of a new hospital to serve the whole county by granting the district the authority to pledge both property tax revenues and operating revenues.

### **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. Amends Section 3.14(a), Chapter 132, Acts of the 74th Legislature, Regular Session, 1995, to make a non substantive change and a conforming change.

SECTION 2. Amends Chapter 132, Acts of the 74th Legislature, Regular Session, 1995, by adding Sections 3.14A and 3.14B, as follows:

Sec. 3.14A. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. (a)

Authorizes the board of directors (board), in addition to the power to issue bonds payable solely from and secured by taxes imposed by the Comanche County Consolidated Hospital District (district) as authorized by Section 3.11 of this Act and the power to issue bonds payable from and secured by revenues and other sources as authorized by Section 3.14 of this Act, to provide for the security and payment of district bonds from a pledge of a combination of certain taxes and revenues.

(b) Requires bonds, other than refunding bonds, that the board proposes to secure wholly or partly by an ad valorem tax, to be approved at an election held in the district in accordance with Section 3.11 of this Act.

(c) Authorizes bonds authorized at an election held in the district before the effective date of the Act of the 78th Legislature, Regular Session, 2003, that enacted this section to be payable from and secured by taxes as authorized by the election or a pledge of a combination of ad valorem taxes, revenues, and other sources as authorized by Subsection (a) of this section.

Sec. 3.14B. USE OF CERTAIN PROCEEDS; PAYMENT OF EXPENSES. (a)

Authorizes the district to use the proceeds of bonds described by Section 3.11, 3.14 or 3.14A of this Act to pay for certain expenditures.

(b) Provides that a "period of acquisition or construction," as that term is used in Subsection (a) of this section, may not exceed five years.

SECTION 3. Effective date: upon passage or September 1, 2003.

**EFFECTIVE DATE**

Effective date: upon passage or September 1, 2003.