

## **BILL ANALYSIS**

S.B. 1632  
By: Wentworth  
County Affairs  
Committee Report (Unamended)

### **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**

SB 1632 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. Both the prospect of a loan and the terms 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 a finding by the board of managers that there will be sufficient revenue to repay the loan.

Section 265.0178 is added to require the loan be repaid only from revenues, income or resources of the hospital or secured by a deed or interest in the real property of the hospital. The holder of the loan may not demand payment from any other resource of the hospital than what was pledged.

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 effect immediately if it receives a vote of two-thirds of all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.