

By: Menendez, Castro

H.B. No. 1234

A BILL TO BE ENTITLED

AN ACT

relating to granting certain hospital districts the authority to issue certificates of obligation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading of Subchapter F, Chapter 281, Health and Safety Code, is amended to read as follows:

SUBCHAPTER F. DISTRICT BONDS AND CERTIFICATES OF OBLIGATION

SECTION 2. Subchapter F, Chapter 281, Health and Safety Code, is amended by adding Section 281.106 to read as follows:

Sec. 281.106. AUTHORITY TO ISSUE CERTIFICATES OF OBLIGATION. With the approval of the commissioners court, the board may issue certificates of obligation in accordance with Subchapter C, Chapter 271, Local Government Code, for district purposes as authorized by this chapter.

SECTION 3. The heading of Section 281.121, Health and Safety Code, is amended to read as follows:

Sec. 281.121. TAXES TO PAY BONDS AND CERTIFICATES OF OBLIGATION; TAX ASSESSMENT AND COLLECTION.

SECTION 4. Sections 281.121(a) and (c), Health and Safety Code, are amended to read as follows:

(a) When the district issues bonds or certificates of obligation payable from and secured by taxes under this chapter, the commissioners court shall impose a tax for the benefit of the district on all property subject to district taxation. The

1 commissioners court may impose the tax for the entire year in which
2 the district is created in order to finance initial district
3 operation and to pay bonds assumed by the district.

4 (c) The proceeds of the tax may be used:

5 (1) to pay the interest on and create a sinking fund
6 for bonds that may be assumed or issued by the district for hospital
7 purposes in accordance with this chapter;

8 (2) to provide for the operation and maintenance of
9 the hospital or hospital system; ~~and~~

10 (3) if requested by the board and approved by the
11 commissioners court, to make further improvements and additions to
12 the hospital system, including acquiring necessary sites by
13 purchase, lease, or condemnation; and

14 (4) to pay for certificates of obligation issued under
15 Section 281.106 that are payable from and secured by taxes.

16 SECTION 5. Section 271.043(7), Local Government Code, is
17 amended to read as follows:

18 (7) "Issuer" means a municipality, ~~or~~ county, or
19 hospital district established under Chapter 281, Health and Safety
20 Code.

21 SECTION 6. This Act takes effect September 1, 2003.