

By: Menendez

H.B. No. 1234

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

7 SUBCHAPTER F. DISTRICT BONDS AND CERTIFICATES OF OBLIGATION

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

10 Sec. 281.106. AUTHORITY TO ISSUE CERTIFICATES OF
11 OBLIGATION. With the approval of the commissioners court, the
12 board may issue certificates of obligation for district purposes in
13 accordance with Subchapter C, Chapter 271, Local Government Code.

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

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

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

20 (a) When the district issues bonds or certificates of
21 obligation payable from and secured by taxes under this chapter,
22 the commissioners court shall impose a tax for the benefit of the
23 district on all property subject to district taxation. The
24 commissioners court may impose the tax for the entire year in which

1 the district is created in order to finance initial district
2 operation and to pay bonds assumed by the district.

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

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

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

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

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

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

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

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