

1-1 By: Menendez, Castro H.B. No. 1234
1-2 (Senate Sponsor - Van de Putte)
1-3 (In the Senate - Received from the House April 14, 2003;
1-4 April 15, 2003, read first time and referred to Committee on
1-5 Intergovernmental Relations; April 22, 2003, rereferred to
1-6 Committee on Administration; April 29, 2003, reported favorably by
1-7 the following vote: Yeas 7, Nays 0; April 29, 2003, sent to
1-8 printer.)

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to granting certain hospital districts the authority to
1-12 issue certificates of obligation.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The heading of Subchapter F, Chapter 281, Health
1-15 and Safety Code, is amended to read as follows:

1-16 SUBCHAPTER F. DISTRICT BONDS AND CERTIFICATES OF OBLIGATION

1-17 SECTION 2. Subchapter F, Chapter 281, Health and Safety
1-18 Code, is amended by adding Section 281.106 to read as follows:

1-19 Sec. 281.106. AUTHORITY TO ISSUE CERTIFICATES OF
1-20 OBLIGATION. With the approval of the commissioners court, the
1-21 board may issue certificates of obligation in accordance with
1-22 Subchapter C, Chapter 271, Local Government Code, for district
1-23 purposes as authorized by this chapter.

1-24 SECTION 3. The heading of Section 281.121, Health and
1-25 Safety Code, is amended to read as follows:

1-26 Sec. 281.121. TAXES TO PAY BONDS AND CERTIFICATES OF
1-27 OBLIGATION; TAX ASSESSMENT AND COLLECTION.

1-28 SECTION 4. Sections 281.121(a) and (c), Health and Safety
1-29 Code, are amended to read as follows:

1-30 (a) When the district issues bonds or certificates of
1-31 obligation payable from and secured by taxes under this chapter,
1-32 the commissioners court shall impose a tax for the benefit of the
1-33 district on all property subject to district taxation. The
1-34 commissioners court may impose the tax for the entire year in which
1-35 the district is created in order to finance initial district
1-36 operation and to pay bonds assumed by the district.

1-37 (c) The proceeds of the tax may be used:

1-38 (1) to pay the interest on and create a sinking fund
1-39 for bonds that may be assumed or issued by the district for hospital
1-40 purposes in accordance with this chapter;

1-41 (2) to provide for the operation and maintenance of
1-42 the hospital or hospital system; ~~and~~

1-43 (3) if requested by the board and approved by the
1-44 commissioners court, to make further improvements and additions to
1-45 the hospital system, including acquiring necessary sites by
1-46 purchase, lease, or condemnation; and

1-47 (4) to pay for certificates of obligation issued under
1-48 Section 281.106 that are payable from and secured by taxes.

1-49 SECTION 5. Section 271.043(7), Local Government Code, is
1-50 amended to read as follows:

1-51 (7) "Issuer" means a municipality, ~~or~~ county, or
1-52 hospital district established under Chapter 281, Health and Safety
1-53 Code.

1-54 SECTION 6. This Act takes effect September 1, 2003.

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