

By: Bonnen

H.B. No. 99

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Sweeny Hospital District.

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

SECTION 1. Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, is amended by adding Section 7B to read as follows:

Sec. 7B. (a) If the board of directors declares that funds are not available to meet the lawfully authorized obligations of the district and that an emergency exists, the district may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time of the loan.

(b) To secure a loan, the district may pledge:

(1) the revenues of the district that are not pledged to pay the bonded indebtedness of the district;

(2) district taxes to be levied by the district during the 12-month period following the date of the pledge that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged shall mature not later than the first anniversary of the date on which the loan is made. A loan for which district revenues are pledged shall mature not later than the fifth anniversary of the date on which the loan is made.

1 (d) The district may not spend money obtained from a loan
2 under this section for any purpose other than the purpose for which
3 the board declared an emergency. If taxes or bonds are pledged to
4 pay the loan, the district may not spend the loan proceeds other
5 than for the purpose for which the taxes were levied or the bonds
6 were authorized.

7 SECTION 2. Chapter 135, Acts of the 58th Legislature,
8 Regular Session, 1963, is amended by adding Section 7B to read as
9 follows:

10 Sec. 7C. (a) The district may borrow money at a rate not to
11 exceed the maximum annual percentage rate allowed by law for
12 district obligations at the time of the loan.

13 (b) To secure a loan, the district may pledge:

14 (1) the revenues of the district that are not pledged
15 to pay the bonded indebtedness of the district;

16 (2) district taxes to be levied by the district during
17 the 12-month period following the date of the pledge that are not
18 pledged to pay the principal of or interest on district bonds; or

19 (3) district bonds that have been authorized but not
20 sold.

21 (c) A loan for which taxes or bonds are pledged shall mature
22 not later than the first anniversary of the date on which the loan
23 is made. A loan for which district revenues are pledged shall
24 mature not later than the fifth anniversary of the date on which the
25 loan is made.

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2005.