

By: Bonnen

H.B. No. 25

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the Sweeny Hospital District to borrow
3 money.

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

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

8 Sec. 7B. (a) The board of directors may borrow money at a
9 rate not to exceed the maximum annual percentage rate allowed by law
10 for district obligations at the time the loan is made if the board
11 declares that:

12 (1) money is not available to meet authorized
13 obligations of the district; and

14 (2) an emergency exists.

15 (b) To secure a loan, the board of directors may pledge:

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

18 (2) district taxes to be imposed in the next 12-month
19 period that are not pledged to pay the principal of or interest on
20 district bonds; or

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

23 (c) A loan for which district taxes or bonds are pledged
24 must mature not later than the first anniversary of the date the

1 loan is made. A loan for which district revenues are pledged must
2 mature not later than the fifth anniversary of the date the loan is
3 made.

4 (d) The board of directors may not spend money obtained from
5 a loan under this section for any purpose other than:

6 (1) the purpose for which the board declared an
7 emergency; and

8 (2) if district taxes or bonds are pledged to pay the
9 loan, the purpose for which the pledged taxes were imposed or the
10 pledged bonds were authorized.

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

14 (b) To secure a loan, the board of directors may pledge:

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

17 (2) district taxes to be imposed in the next 12-month
18 period that are not pledged to pay the principal of or interest on
19 district bonds; or

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

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

27 SECTION 2. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect on the 91st day after the last day of the
5 legislative session.