

By: Gallego

H.B. No. 3420

A BILL TO BE ENTITLED

AN ACT

relating to the powers of a municipal hospital authority.

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

SECTION 1. Subchapter C, Chapter 262, Health and Safety Code, is amended by adding Section 262.037:

Section 262.037. Establishment of a Nonprofit Corporation.

(a) The authority may create and sponsor a nonprofit corporation under the Business Organizations Code for the purpose of owning and operating all or part of one or more ancillary health care facilities consistent with the purposes of a hospital authority under this Act.

(1) On or before December 31, 2009, the district may create and sponsor a nonprofit corporation under the Texas Nonprofit Corporation Act (Article 1396-1.01, et seq., Vernon's Texas Civil Statutes) or the Business Organizations Code, as applicable, and may contribute money to or solicit money for the corporation.

(b) The authority shall appoint the board of directors of a corporation created under this section.

(c) The authority may contribute money to or solicit money for the corporation. In the event the authority contributes or solicits money for the corporation, the authority shall establish procedures and controls sufficient to assure that such money is used for public purposes.

1           (d) A nonprofit corporation created under this section has  
2 the same powers as a development corporation under Section 221.030,  
3 Health and Safety Code.

4           (e) This Subsection and Subsection (a)(1) expire December  
5 31, 2009.

6           SECTION 2. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 act does not receive the vote necessary for immediate effect, this  
10 act takes effect September 1, 2005.