

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 23, 2005

TO: Honorable Robert Talton, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3420 by Gallego (Relating to the powers of a municipal hospital authority.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize a municipal hospital authority to 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 purpose of an authority. The subsection that would authorize a hospital authority to create a nonprofit corporation would expire December 31, 2009.

The hospital district may create and sponsor on or before December 31, 2009 a nonprofit corporation under the Texas Non-Profit Corporation Act or the Business Organizations Code, as applicable.

An authority and a district that create a nonprofit corporation would be authorized to contribute money to or solicit money for the corporation. A corporation would have the same powers as a development corporation under Section 221.030, Health and Safety Code.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, DLBa