

## **BILL ANALYSIS**

C.S.H.B. 878  
By: Bonnen  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, the board of directors of the Sweeny Hospital District does not have the authority to borrow certain funds, establish income and medical benefits for district employees who are injured on the job, or use alternative means to secure repayment of bonds.

C.S.H.B. 878 authorizes the district to borrow funds from a bank or lending institution and to use alternative means to secure repayment of bonds.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 878 amends Chapter 135, Acts of the 58th Legislature, Regular Session, 1963, to authorize the board of directors of the Sweeny Hospital District, in addition to the authority to issue general obligation bonds and revenue bonds, to provide for the security and payment of district bonds from a pledge of a combination of property taxes, revenue, and other authorized sources and sets forth the authorized uses of the proceeds of these bonds.

C.S.H.B. 878 authorizes the board to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made and sets forth the manner in which a loan may be secured. The bill requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan was made and a loan for which district revenue is pledged to mature not later than the fifth anniversary of the date the loan is made.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 878 removes a provision from the original authorizing the Sweeny Hospital District to establish a comprehensive program to provide income and medical benefits to a district employee who sustains an injury that arises out of and in the course and scope of employment. The substitute removes a provision from the original exempting the district from state law that requires the district to extend worker's compensation benefits to its employees in the manner and extent of a political subdivision if it adopts the program.