

BILL ANALYSIS

Senate Research Center

H.B. 2708
By: Gonzalez Toureilles (Zaffirini)
Intergovernmental Relations
5/21/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 61st Legislature, Regular Session, 1969, enacted legislation creating the Karnes County Hospital District (district). The district would like to amend the legislation to add provisions regarding borrowing of funds. This bill authorizes the district to borrow money and to secure a loan through a pledge of district revenue, a tax, or a bond.

H.B. 2708 relates to the powers of the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 1048, Special District Local Laws Code, as effective April 1, 2009, by adding Section 1048.161, as follows:

Sec. 1048.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) Authorizes the board of directors of the Karnes County Hospital District (board) to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for Karnes County Hospital District (district) obligations at the time the loan is made.

(b) Authorizes the board, to secure a loan, to pledge district revenue that is not pledged to pay the district's bonded indebtedness, a district tax to be imposed by the district in the next 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds, or a district bond that has been authorized but not sold.

(c) Requires that a loan for which taxes or bonds are pledged mature not later than the first anniversary of the date the loan is made. Requires that a loan for which district revenue is pledged mature not later than the fifth anniversary of the date the loan is made.

SECTION 2. Effective date: upon passage or September 1, 2009.