

BILL ANALYSIS

C.S.H.B. 2708
By: Gonzalez Toureilles
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 61st Legislature enacted legislation creating the Karnes County Hospital District in 1969. The district would like to amend the legislation to add provisions regarding borrowing of funds.

C.S.H.B. 2708 authorizes the Karnes County Hospital District to borrow money and to secure the loan through a pledge of a district revenue, tax, or bond.

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. 2708 amends the Special District Local Laws Code, as effective April 1, 2009, to authorize the board of directors of the Karnes County Hospital District 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. The bill permits 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.S.H.B. 2708 requires that a loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made, and that a loan for which district revenue is pledged must 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. 2708 removes provisions in the original authorizing the board of directors of the Karnes County Hospital District to employ physicians or other health care providers and to establish a program to provide income and medical benefits for an injured district employee.