

## **BILL ANALYSIS**

C.S.H.B. 4257  
By: Hilderbran  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Sutton County Hospital District wants to revise various provisions regarding district elections to bring those provisions into compliance with the Election Code. The district would also like to revise the provisions regarding the bidding of construction contracts to correspond to the Local Government Code. The district wants to amend current statutes to allow the district to borrow funds from a bank or lending institution. Finally, the district seeks authorization to issue revenue bonds and alternative means to secure repayment of bonds.

C.S.H.B. 4257 changes the amount of a construction contract that requires competitive bidding and sets out the general authority of the district's board to borrow money.

### **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C.S.H.B. 4257 amends Chapter 1047, Acts of the 68th Legislature, Regular Session, 1983, to remove outdated provisions relating to the election of the Sutton County Hospital District board of directors and to establish election procedures that are in accordance with the Election Code.

C.S.H.B. 4257 changes the amount of a construction contract that requires competitive bidding from more than \$10,000 to more than the amount provided by specified provisions of the Local Government Code and the Government Code before the board may enter into the contract.

C.S.H.B. 4257 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 out the types of security the board may pledge for a loan and the requirements relating to the maturity of a loan for which taxes, bonds, or district revenue are pledged. The bill authorizes the board to pledge a combination of property taxes, revenue, and other sources for the security and payment of district bonds and designates the authorized uses for the proceeds from these bonds.

### **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. 4257 removes a provision in the original authorizing the Sutton County Hospital District to employ physicians or other health care providers. The substitute removes provisions in the original authorizing the district to establish a 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, and exempting the district, if it adopts such a program, from the requirement to provide worker's compensation to its employees. The substitute authorizes the district to use the proceeds of issued bonds to pay any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds rather than insure, sell, and deliver the bonds as in the original.