

BILL ANALYSIS

C.S.H.B. 4704
By: Guillen
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill creating the Starr County Hospital District was passed by the 63rd Legislature, Regular Session, 1973, and was amended in 1977, 1995, and 2007. The district would like the authorization to borrow funds from a bank or lending institution; current law, however, does not provide for such an authorization.

C.S.H.B. 4704 expands the ability of the district to borrow funds within the limits of the current maximum annual percentage tax rate. The bill requires a loan for which taxes or bonds are pledged to be paid within one year and requires a loan for which district revenue is pledged to be paid within five years.

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. 4704 amends Chapter 118, Acts of the 63rd Legislature, Regular Session, 1973, to authorize the board of the Starr 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 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 during the 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. The bill requires a loan for which taxes or bonds are pledged and a loan for which district revenue is pledged to mature not later than the first anniversary and the fifth anniversary, respectively, 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. 4704 adds provisions not in the original authorizing the board to borrow money, providing that the Starr County Hospital District may pledge district revenue, a district tax, or a district bond to secure a loan, and providing maturity dates for such loans. The substitute removes provisions in the original authorizing the district to employ physicians and other health care providers and prohibiting such a provision from being construed as authorizing the district to supervise or control the practice of medicine.