

## BILL ANALYSIS

Senate Research Center  
81R4674 ALB-F

S.B. 1691  
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As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Muenster Hospital District (district) is finding it difficult to recruit and maintain physicians, a common problem in many rural areas across the state. The enabling legislation does not provide the options needed by the district to borrow funds and issue bonds.

As proposed, S.B. 1691 authorizes the board of directors of Muenster Hospital District to employ local physicians and to establish a comprehensive program to provide income and medical benefits to an employee who is injured in the scope of employment. The bill also expands the ability of the district to borrow funds and issue bonds.

### 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 Section 5, Chapter 477, Acts of the 59th Legislature, Regular Session, 1965, by adding Subsections (b-1) and (i), as follows:

(b-1) Authorizes the board of directors (board) of the Muenster Hospital District (district) to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district. Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professionals), Occupations Code.

(i) Authorizes the 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. Exempts the district, if the district adopts a comprehensive program under this subsection, from Section 504.011 (Method of Providing Coverage), Labor Code, to the extent that the section requires the district to provide workers' compensation to its employees.

SECTION 2. Amends Chapter 477, Acts of the 59th Legislature, Regular Session, 1965, by adding Sections 9A and 9B, as follows:

Sec. 9A. Authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds under this Act, to provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 9 (relating to a tax levied by the board in the issuance of bonds and the board's authority to issue and sell bonds) of this Act and revenue and other sources authorized by Section 7 (relating to the district's authority to issue revenue bonds for certain purposes) of this Act.

Sec. 9B. Authorizes the district to use the proceeds of the bonds issued under this act to pay certain expenses, payments, and costs related to bonds.

SECTION 3. Amends Section 20a(a), Chapter 477, Acts of the 59th Legislature, Regular Session, 1965, to delete existing text authorizing the board, if the board declares that funds are not available to meet the lawfully authorized obligations of the district and that an emergency

exists, to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time of the loan.

SECTION 4. Repealer: Section 20a(d) (relating to prohibiting the board from spending money obtained from a loan for certain purposes), Chapter 477, Acts of the 59th Legislature, Regular Session, 1965.

SECTION 5. Effective date: upon passage or September 1, 2009.