

By: Farabee

H.B. No. 781

Substitute the following for H.B. No. 781:

By: Sheffield

C.S.H.B. No. 781

A BILL TO BE ENTITLED

AN ACT

relating to the Electra Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1025.051, Special District Local Laws Code, as effective April 1, 2009, is amended to conform to Section 1, Chapter 792, Acts of the 80th Legislature, Regular Session, 2007, to read as follows:

Sec. 1025.051. BOARD ELECTION; TERM. The district is governed by a board of seven directors elected at large by place for staggered three-year terms. A director's election shall be held each year on the May uniform election date prescribed by Section 41.001, Election Code. [~~(a) The board consists of seven directors elected from the district at large.~~

~~[(b) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code.]~~

SECTION 2. Subchapter D, Chapter 1025, Special District Local Laws Code, as effective April 1, 2009, is amended by adding Section 1025.161 to read as follows:

Sec. 1025.161. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may 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.

(b) To secure a loan, the board may pledge:

1           (1) district revenue that is not pledged to pay the  
2 district's bonded indebtedness;

3           (2) a district tax to be imposed by the district during  
4 the 12-month period following the date of the pledge that is not  
5 pledged to pay the principal of or interest on district bonds; or

6           (3) a district bond that has been authorized but not  
7 sold.

8           (c) A loan for which taxes or bonds are pledged must mature  
9 not later than the first anniversary of the date the loan is made. A  
10 loan for which district revenue is pledged must mature not later  
11 than the fifth anniversary of the date the loan is made.

12           SECTION 3. Subchapter E, Chapter 1025, Special District  
13 Local Laws Code, as effective April 1, 2009, is amended by adding  
14 Sections 1025.209 and 1025.210 to read as follows:

15           Sec. 1025.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
16 BONDS. In addition to the authority to issue general obligation  
17 bonds and revenue bonds under this subchapter, the board may  
18 provide for the security and payment of district bonds from a pledge  
19 of a combination of ad valorem taxes as authorized by Section  
20 1025.202 and revenue and other sources authorized by Section  
21 1025.206.

22           Sec. 1025.210. USE OF BOND PROCEEDS. The district may use  
23 the proceeds of bonds issued under this subchapter to pay:

24           (1) any expense the board determines is reasonable and  
25 necessary to issue, sell, and deliver the bonds;

26           (2) interest payments on the bonds during a period of  
27 acquisition or construction of a project or facility to be provided

1 through the bonds, not to exceed five years;

2 (3) costs related to the operation and maintenance of  
3 a project or facility to be provided through the bonds:

4 (A) during an estimated period of acquisition or  
5 construction, not to exceed five years; and

6 (B) for one year after the project or facility is  
7 acquired or constructed;

8 (4) costs related to the financing of the bond funds,  
9 including debt service reserve and contingency funds;

10 (5) costs related to the bond issuance;

11 (6) costs related to the acquisition of land or  
12 interests in land for a project or facility to be provided through  
13 the bonds; and

14 (7) costs of construction of a project or facility to  
15 be provided through the bonds, including the payment of related  
16 professional services and expenses.

17 SECTION 4. (a) The members of the board of directors of the  
18 Electra Hospital District serving on the effective date of this Act  
19 shall draw lots to determine in which place each director serves.  
20 The four directors whose terms expire in 2010 shall draw lots for  
21 Places 4, 5, 6, and 7. The three directors whose terms expire in  
22 2011 shall draw lots for Places 1, 2, and 3.

23 (b) The election of the board of directors to be held in May  
24 2010 must be held, and the directors elected for Places 4 and 5 at  
25 that election shall serve three-year terms. The directors elected  
26 for Places 6 and 7 at that election shall serve two-year terms.

27 (c) The directors elected at the election to be held in May

1 2011, May 2012, and May 2013 shall serve three-year terms.

2 SECTION 5. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2009.