

1-1 By: Bonnen (Senate Sponsor - Huffman) H.B. No. 878  
1-2 (In the Senate - Received from the House May 6, 2009;  
1-3 May 7, 2009, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 18, 2009, reported favorably by  
1-5 the following vote: Yeas 4, Nays 0; May 18, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the Sweeny Hospital District.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 4, Chapter 135, Acts of the 58th  
1-11 Legislature, Regular Session, 1963, is amended to read as follows:

1-12 Sec. 4. The management and control of the [each hospital]  
1-13 district [created pursuant to the provisions of this Act] is hereby  
1-14 vested in the board of directors of the district who shall serve  
1-15 without compensation but may be reimbursed for actual expenses  
1-16 incurred in the performance of their official duties upon the  
1-17 approval of such expenses by the entire board of directors.

1-18 SECTION 2. Chapter 135, Acts of the 58th Legislature,  
1-19 Regular Session, 1963, is amended by adding Sections 6A and 6B to  
1-20 read as follows:

1-21 Sec. 6A. In addition to the authority to issue general  
1-22 obligation bonds and revenue bonds under this Act, the board may  
1-23 provide for the security and payment of district bonds from a pledge  
1-24 of a combination of ad valorem taxes as authorized by Section 6(a)  
1-25 of this Act and revenue and other sources as authorized by Section  
1-26 6(e) of this Act.

1-27 Sec. 6B. The district may use the proceeds of bonds issued  
1-28 under this Act to pay:

1-29 (1) any expense the board determines is reasonable and  
1-30 necessary to issue, sell, and deliver the bonds;

1-31 (2) interest payments on the bonds during a period of  
1-32 acquisition or construction of a project or facility to be provided  
1-33 through the bonds, not to exceed five years;

1-34 (3) costs related to the operation and maintenance of  
1-35 a project or facility to be provided through the bonds:

1-36 (A) during an estimated period of acquisition or  
1-37 construction, not to exceed five years; and

1-38 (B) for one year after the project or facility is  
1-39 acquired or constructed;

1-40 (4) costs related to the financing of the bond funds,  
1-41 including debt service reserve and contingency funds;

1-42 (5) costs related to the bond issuance;

1-43 (6) costs related to the acquisition of land or  
1-44 interests in land for a project or facility to be provided through  
1-45 the bonds; and

1-46 (7) costs of construction of a project or facility to  
1-47 be provided through the bonds, including the payment of related  
1-48 professional services and expenses.

1-49 SECTION 3. Chapter 135, Acts of the 58th Legislature,  
1-50 Regular Session, 1963, is amended by adding Section 7B to read as  
1-51 follows:

1-52 Sec. 7B. (a) The board may borrow money at a rate not to  
1-53 exceed the maximum annual percentage rate allowed by law for  
1-54 district obligations at the time the loan is made.

1-55 (b) To secure a loan, the board may pledge:

1-56 (1) district revenue that is not pledged to pay the  
1-57 district's bonded indebtedness;

1-58 (2) a district tax to be imposed by the district during  
1-59 the 12-month period following the date of the pledge that is not  
1-60 pledged to pay the principal of or interest on district bonds; or

1-61 (3) a district bond that has been authorized but not  
1-62 sold.

1-63 (c) A loan for which taxes or bonds are pledged must mature  
1-64 not later than the first anniversary of the date the loan is made. A

2-1 loan for which district revenue is pledged must mature not later  
2-2 than the fifth anniversary of the date the loan is made.

2-3 SECTION 4. This Act takes effect immediately if it receives  
2-4 a vote of two-thirds of all the members elected to each house, as  
2-5 provided by Section 39, Article III, Texas Constitution. If this  
2-6 Act does not receive the vote necessary for immediate effect, this  
2-7 Act takes effect September 1, 2009.

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