

1-1 By: Hardcastle (Senate Sponsor - Estes) H.B. No. 1686  
1-2 (In the Senate - Received from the House May 18, 2009;  
1-3 May 19, 2009, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 22, 2009, reported favorably by  
1-5 the following vote: Yeas 5, Nays 0; May 22, 2009, sent to printer.)

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

1-8 relating to the Muenster Hospital District.

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

1-10 SECTION 1. Chapter 477, Acts of the 59th Legislature,  
1-11 Regular Session, 1965, is amended by adding Sections 9A and 9B to  
1-12 read as follows:

1-13 Sec. 9A. In addition to the authority to issue general  
1-14 obligation bonds and revenue bonds under this Act, the Board may  
1-15 provide for the security and payment of District bonds from a pledge  
1-16 of a combination of ad valorem taxes as authorized by Section 9 of  
1-17 this Act and revenue and other sources authorized by Section 7 of  
1-18 this Act.

1-19 Sec. 9B. The District may use the proceeds of bonds issued  
1-20 under this Act to pay:

1-21 (1) any expense the Board determines is reasonable and  
1-22 necessary to issue, sell, and deliver the bonds;

1-23 (2) interest payments on the bonds during a period of  
1-24 acquisition or construction of a project or facility to be provided  
1-25 through the bonds, not to exceed five years;

1-26 (3) costs related to the operation and maintenance of  
1-27 a project or facility to be provided through the bonds:

1-28 (A) during an estimated period of acquisition or  
1-29 construction, not to exceed five years; and

1-30 (B) for one year after the project or facility is  
1-31 acquired or constructed;

1-32 (4) costs related to the financing of the bond funds,  
1-33 including debt service reserve and contingency funds;

1-34 (5) costs related to the bond issuance;

1-35 (6) costs related to the acquisition of land or  
1-36 interests in land for a project or facility to be provided through  
1-37 the bonds; and

1-38 (7) costs of construction of a project or facility to  
1-39 be provided through the bonds, including the payment of related  
1-40 professional services and expenses.

1-41 SECTION 2. Section 20a(a), Chapter 477, Acts of the 59th  
1-42 Legislature, Regular Session, 1965, is amended to read as follows:

1-43 Sec. 20a. (a) ~~The [If the Board of Directors declares that~~  
1-44 ~~funds are not available to meet the lawfully authorized obligations~~  
1-45 ~~of the District and that an emergency exists, the]~~ Board may borrow  
1-46 money at a rate not to exceed the maximum annual percentage rate  
1-47 allowed by law for District obligations at the time of the loan.

1-48 SECTION 3. Section 20a(d), Chapter 477, Acts of the 59th  
1-49 Legislature, Regular Session, 1965, is repealed.

1-50 SECTION 4. This Act takes effect immediately if it receives  
1-51 a vote of two-thirds of all the members elected to each house, as  
1-52 provided by Section 39, Article III, Texas Constitution. If this  
1-53 Act does not receive the vote necessary for immediate effect, this  
1-54 Act takes effect September 1, 2009.

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