

1-1 By: Fraser S.B. No. 494
1-2 (In the Senate - Filed February 1, 2011; February 14, 2011,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 14, 2011, reported favorably by the following
1-5 vote: Yeas 4, Nays 0; March 14, 2011, sent to printer.)

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

1-8 relating to the authority of certain local governmental entities to
1-9 borrow money for a public hospital.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subtitle F, Title 4, Health and Safety Code, is
1-12 amended by adding Chapter 315 to read as follows:

1-13 CHAPTER 315. AUTHORITY TO BORROW MONEY FOR PUBLIC HOSPITALS

1-14 Sec. 315.001. DEFINITION. In this chapter, "local
1-15 governmental entity" includes:

1-16 (1) a hospital district created under general or
1-17 special law;

1-18 (2) a municipal hospital authority;

1-19 (3) a county hospital authority;

1-20 (4) a municipality; or

1-21 (5) a county.

1-22 Sec. 315.002. AUTHORITY TO BORROW MONEY FOR PUBLIC
1-23 HOSPITAL; SECURITY. (a) A local governmental entity may borrow
1-24 money for purposes of a hospital owned or operated by the entity at
1-25 a rate not to exceed the maximum annual percentage rate allowed by
1-26 the law at the time the loan is made for similar obligations of the
1-27 entity.

1-28 (b) To secure a loan under this section, a local
1-29 governmental entity may pledge:

1-30 (1) revenue from the hospital owned or operated by the
1-31 entity that is not pledged to pay the entity's bonded indebtedness;
1-32 or

1-33 (2) tax revenue to be collected by the local
1-34 governmental entity during the 12-month period following the date
1-35 of the pledge that is not pledged to pay the principal of or
1-36 interest on bonds.

1-37 (c) A loan authorized by this section must mature:

1-38 (1) not later than the first anniversary of the date
1-39 the loan is made, if taxes are pledged to repay the loan; and

1-40 (2) not later than the fifth anniversary of the date
1-41 the loan is made, if hospital revenue is pledged to repay the loan.

1-42 SECTION 2. This Act takes effect September 1, 2011.

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