

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 4, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB494 by Fraser (Relating to the authority of certain local governmental entities to borrow money for a public hospital.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to authorize a hospital district created under general or special law; a municipal or county hospital authority; a municipality; or a county to borrow money for the purposes of a hospital owned or operated by the entity at a rate no higher than the maximum rate allowed by law. In order to secure a loan, a local governmental entity would be allowed to pledge hospital or tax revenue that is not previously pledged to pay for a bond.

Local Government Impact

There could be a fiscal impact associated with the provisions of the bill; however, the amounts would vary depending on whether a local governmental entity chose to borrow money, the amount borrowed, and the interest rate on the bond.

The Harris County Hospital District reported the costs associated with the provisions of the bill could be absorbed within current resources.

Source Agencies:

LBB Staff: JOB, KKR, TP