

## **BILL ANALYSIS**

H.B. 571  
By: Fletcher  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that, while the changing health care landscape has caused some municipal hospital authorities to divest themselves of their general acute care hospital to larger multi-hospital systems that are better able to compete in the rapidly changing hospital marketplace, these municipal hospital authorities may continue to serve their communities by owning and operating clinics and other health care facilities, pharmacies, medical laboratories, physicians' office buildings, and health care-related administrative facilities or buildings.

H.B. 571 seeks to clarify the power of a hospital authority to make expenditures for public health purposes once the authority no longer owns and operates a general acute care hospital and, in certain instances, to empower the authority in a populous county to generate investment returns and thereby maximize the income available to fund the authority's programs and services.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 571 amends the Health and Safety Code to authorize the board of directors of a hospital authority created under the Hospital Authority Act to use the authority's available assets to promote public health and general welfare initiatives that the board determines will benefit the residents served by the authority if, after the sale or closing of a hospital, the authority does not own or operate a hospital. The bill prohibits the board from making such an expenditure unless the board makes appropriate provisions for the satisfaction of any outstanding bonds, debt obligations, or other liabilities of the authority; the predominant purpose of the expenditure is to promote the public health and general welfare of the residents served by the authority; and the board establishes sufficient controls to ensure that the expenditure promotes the public health and general welfare of the residents served by the authority. The bill authorizes an authority that is located in a county of 3.3 million or more, has no outstanding bonds, and does not own or operate a hospital to invest authority funds as provided by the Public Funds Investment Act and in any investment a trustee is authorized to make under the Texas Trust Code.

### **EFFECTIVE DATE**

September 1, 2013.