

AN ACT

relating to the use of funds of certain municipal hospital authorities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 262, Health and Safety Code, is amended by adding Sections 262.0331 and 262.039 to read as follows:

Sec. 262.0331. EXPENDITURE OF FUNDS FOR PUBLIC HEALTH INITIATIVES AFTER SALE OR CLOSING OF HOSPITAL. (a) If, after the sale or closing of a hospital under Section 262.033, the authority does not own or operate a hospital, the board may 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, including:

(1) owning, operating, or funding an indigent health care clinic, medical research facility, medical training facility, or other health care facility;

(2) providing direct or indirect financial assistance to a nonprofit organization that:

(A) owns or operates a hospital, indigent health care clinic, medical research facility, medical training facility, or other health care facility; or

(B) supports an initiative promoting health education, wellness, or disease prevention; and

1           (3) undertaking any other activity that the board  
2 determines is necessary or appropriate to improve public health,  
3 promote wellness, prevent disease, or enhance the general welfare  
4 of the residents served by the authority.

5           (b) The board may not make an expenditure under Subsection  
6 (a) unless:

7           (1) the board makes appropriate provisions for the  
8 satisfaction of any outstanding bonds, debt obligations, or other  
9 liabilities of the authority;

10           (2) the predominant purpose of the expenditure is to  
11 promote the public health and general welfare of the residents  
12 served by the authority; and

13           (3) the board establishes sufficient controls to  
14 ensure that the expenditure promotes the public health and general  
15 welfare of the residents served by the authority.

16           Sec. 262.039. INVESTMENT OF AUTHORITY FUNDS. (a) This  
17 section applies only to an authority that:

18           (1) is located in a county of 3.3 million or more;

19           (2) has no outstanding bonds issued under Subchapter  
20 D; and

21           (3) does not own or operate a hospital.

22           (b) Notwithstanding any other law, an authority may invest  
23 authority funds:

24           (1) as provided by Chapter 2256, Government Code; and

25           (2) in any investment a trustee is authorized to make  
26 under Subtitle B, Title 9, Property Code.

27           SECTION 2. This Act takes effect September 1, 2013.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 233 passed the Senate on April 4, 2013, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 233 passed the House on May 8, 2013, by the following vote: Yeas 147, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor