

BILL ANALYSIS

Senate Research Center
84R21837 CJC-D

H.B. 1307
By: Springer (Estes)
Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that hospital districts typically have two options for financing projects. One option is to borrow money to be secured by operating revenue, but the parties note that a district is often limited in the amount of money it can earn through such revenue. The second option is to issue revenue bonds, which the parties note is a viable option for large projects but not for small or medium-sized projects. The parties note, however, that some hospital districts have an additional option, which is the authority to mortgage or pledge certain buildings and improvements as security for the payment of the purchase price. The parties contend that this option allows hospital districts to utilize traditional mortgages to finance small and medium-sized projects and that such option should be granted to the Gainesville Hospital District. Additionally, the parties note the need to revise the number of directors of the Nocona Hospital District needed for a quorum and other matters. H.B. 1307 seeks to address these issues.

H.B. 1307 amends current law relating to the authority of the board of directors of certain hospital districts to take certain actions.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1077.106, Special District Local Laws Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Authorizes the Gainesville Hospital District (district) to mortgage or pledge the buildings and improvements as security for the payment of the purchase price, subject to Subsection (c). Makes nonsubstantive changes.

(c) Provides that the total amount of debt secured by the district's buildings and improvements may not exceed \$2.5 million.

SECTION 2. Amends Sections 1081.056 and 1081.057, Special District Local Laws Code, as follows:

Sec. 1081.056. QUORUM. Provides that any four, rather than five, directors constitute a quorum.

Sec. 1081.057. VOTING REQUIREMENT. Provides that a concurrence of four, rather than five, directors is sufficient in any matter relating to district business.

SECTION 3. Effective date: upon passage September 1, 2015.