

## **BILL ANALYSIS**

Senate Research Center

H.B. 2559  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 2559 authorizes Central Health, the Travis County Healthcare District, to lease its property for up to 99 years with the approval of the Travis County Commissioners Court. It also removes the 50-year cap on leases by hospital districts under Chapter 281 (Hospital Districts in Counties of at Least 190,000), Health and Safety Code.

For large properties, longer leases are common to ensure the greatest return for the land holder, thus enabling the district to act in the best interest of taxpayers.

Central Health and the hospital districts will be able to maximize support for their missions by entering into leases that generate revenue to provide health care services.

H.B. 2559 amends current law relating to leases and other agreements relating to real property entered into by certain hospital districts.

### **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 281.050(b), Health and Safety Code, as follows:

(b) Authorizes the board of hospital managers of a hospital district (board), notwithstanding any other law and with the approval of the commissioners court, to enter into a lease, including a lease with an option to purchase, an installment purchase agreement, an installment sale agreement, or any other type of agreement that relates to real property considered appropriate by the board to provide for the development, improvement, acquisition, or management of developed or undeveloped real property, rather than authorizing the board, notwithstanding any other law and with the approval of the commissioners court, to lease undeveloped real property for not more than 50 years to provide for the development and construction of facilities designed to generate revenue for the financial benefit of the district. Authorizes the board, directly or through a nonprofit corporation, to contract or enter into a joint venture with a public or private entity as necessary to enter into an agreement, rather than a lease, under this subsection.

SECTION 2. Amends Section 281.0511, Health and Safety Code, by adding Subsection (d), as follows:

(d) Authorizes the board, notwithstanding any other law, with the approval of the commissioners court at a meeting subject to Chapter 551 (Open Meetings), Government Code, to lease undeveloped or vacant real property for not more than 99 years to provide for the development and construction of facilities designed to generate revenue for the financial benefit of the district. Authorizes the board, directly or through a nonprofit corporation, to contract or enter into a joint venture with a public or private entity as necessary to enter into a lease under this subsection.

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