

BILL ANALYSIS

Senate Research Center

S.B. 1908
By: Perry
Intergovernmental Relations
6/16/2015
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1993 the hospital enabling legislation for the Lynn County Hospital District was changed to allow the buying and selling of bonds. This was intended to allow the board to more easily issue general obligation bonds. However, with increasing costs of operation and reimbursement cuts, the hospital district is threatened with possible closure. This bill would change the law to allow bond elections for general obligation bonds. These elections will be done in accordance to Section 1251.003 (Conduct of Election), Government Code. Stakeholders and interested parties have demonstrated a desire for this legislation.

S.B. 1908 amends current law relating to the issuance of general obligation bonds by the Lynn County Hospital District.

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 Subchapter E, Chapter 1054, Special District Local Laws Code, by adding Section 1054.2025, as follows:

Sec. 1054.2025. GENERAL OBLIGATION BOND ELECTION. (a) Authorizes the Lynn County Hospital District (district) to issue general obligation bonds only if the bonds are authorized by a majority of the district voters voting at an election held for that purpose.

(b) Requires that the order calling the election provide for clerks as in county elections and specify:

- (1) the date of the election;
- (2) the location of the polling places;
- (3) the presiding and alternate election judges for each polling place;
- (4) the amount of the bonds to be authorized;
- (5) the maximum interest rate of the bonds; and
- (6) the maximum maturity of the bonds.

(c) Requires that notice of a bond election be given as provided by Section 1251.003 (Conduct of Election), Government Code.

SECTION 2. Provides that Section 1054.2025, Special District Local Laws Code, as added by this Act, applies only to general obligation bonds issued by the district on or after the effective date of this Act.

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