By: Springer H.B. No. 795

Substitute the following for H.B. No. 795:

By: Romero, Jr. C.S.H.B. No. 795

## A BILL TO BE ENTITLED

AN ACT

2 relating to the Haskell County Hospital District; authorizing the

- 3 issuance of bonds.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Section 1040.052, Special District Local Laws
- 6 Code, is amended to read as follows:
- 7 Sec. 1040.052. QUALIFICATIONS FOR OFFICE. (a) A person may
- 8 not be appointed as a director unless the person[+
- 9 [<del>(1)</del>] is a district resident[<del>; and</del>
- 10 [(2) owns land in the district subject to taxation].
- 11 (b) A person may not be appointed as a director if the person
- 12 <u>is:</u>

1

- 13 (1) a district employee; or
- 14 (2) an employee of Haskell County.
- SECTION 2. Section 1040.152(c), Special District Local Laws
- 16 Code, is amended to read as follows:
- 17 (c) Any district <u>resident</u> [taxpayer] is entitled to:
- 18 (1) appear at the time and place designated in the
- 19 notice; and
- 20 (2) be heard regarding any item included in the
- 21 proposed budget.
- 22 SECTION 3. Section 1040.153, Special District Local Laws
- 23 Code, is amended to read as follows:
- Sec. 1040.153. FISCAL YEAR. The district operates on a

- 1 fiscal year <u>established</u> by the board [that begins on October 1 and
- 2 ends on September 30].
- 3 SECTION 4. Section 1040.154(b), Special District Local Laws
- 4 Code, is amended to read as follows:
- 5 (b) The audit shall be open to inspection during regular
- 6 business hours [Not later than December 31 each year, the audit
- 7 shall be filed:
- 8 [(1) with the comptroller; and
- 9 [<del>(2)</del>] at the district's principal [<del>district</del>] office.
- SECTION 5. Section 1040.155(a), Special District Local Laws
- 11 Code, is amended to read as follows:
- 12 (a) The board by resolution shall designate a bank or banks
- 13 [in Haskell County] as the district's depository [or treasurer. A
- 14 designated bank serves for two years and until a successor is
- 15 designated].
- SECTION 6. Subchapter E, Chapter 1040, Special District
- 17 Local Laws Code, is amended by adding Sections 1040.207, 1040.208,
- 18 and 1040.209 to read as follows:
- 19 Sec. 1040.207. REVENUE BONDS. (a) The board may issue
- 20 revenue bonds to:
- 21 (1) purchase, construct, acquire, repair, renovate,
- 22 or equip buildings or improvements for hospitals and the hospital
- 23 system; or
- 24 (2) acquire sites to be used for hospital purposes.
- 25 (b) The bonds must be payable from and secured by a pledge of
- 26 all or part of the revenue derived from the operation of the
- 27 district's hospital system.

- 1 (c) The bonds may be additionally secured by a mortgage or
- 2 deed of trust on all or part of the district's property.
- 3 (d) The bonds must be issued in the manner and in accordance
- 4 with the procedures and requirements prescribed by Sections
- 5 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
- 6 and Safety Code, for issuance of revenue bonds by a county hospital
- 7 <u>authority</u>.
- 8 Sec. 1040.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF
- 9 BONDS. In addition to the authority to issue general obligation
- 10 bonds and revenue bonds under this subchapter, the board may
- 11 provide for the security and payment of district bonds from a pledge
- 12 of a combination of ad valorem taxes as authorized by Section
- 13 1040.202 and revenue and other sources as authorized by Section
- 14 1040.207.
- Sec. 1040.209. USE OF BOND PROCEEDS. The district may use
- 16 the proceeds of bonds issued under this subchapter to pay:
- 17 (1) any expense the board determines is reasonable and
- 18 necessary to issue, sell, and deliver the bonds;
- 19 (2) interest payments on the bonds during a period of
- 20 acquisition or construction of a project or facility to be provided
- 21 through the bonds, not to exceed five years;
- 22 (3) costs related to the operation and maintenance of
- 23 a project or facility to be provided through the bonds:
- 24 (A) during an estimated period of acquisition or
- 25 construction, not to exceed five years; and
- 26 (B) for one year after the project or facility is
- 27 acquired or constructed;

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- 1 (4) costs related to the financing of the bond funds,
- 2 including debt service reserve and contingency funds;
- 3 (5) costs related to the bond issuance;
- 4 (6) costs related to the acquisition of land or
- 5 <u>interests in land for a project or facility to be provided through</u>
- 6 the bonds; and
- 7 (7) construction costs of a project or facility to be
- 8 provided through the bonds, including the payment of related
- 9 professional services and expenses.
- SECTION 7. Section 1040.053(b), Special District Local Laws
- 11 Code, is repealed.
- 12 SECTION 8. This Act takes effect immediately if it receives
- 13 a vote of two-thirds of all the members elected to each house, as
- 14 provided by Section 39, Article III, Texas Constitution. If this
- 15 Act does not receive the vote necessary for immediate effect, this
- 16 Act takes effect September 1, 2015.