H.B. No. 795 Springer (Senate Sponsor - Perry) 1-1 (In the Senate - Received from the House April 20, 2015; April 30, 2015, read first time and referred to Committee on Intergovernmental Relations; May 11, 2015, reported favorably by the following vote: Yeas 6, Nays 0; May 11, 2015, sent to printer.) 1-2 1-3 1-4 1-5 COMMITTEE VOTE 1-6 1 - 7Yea Nay Absent PNV 1-8 X Lucio Χ 1-9 Bet<u>tencourt</u> 1-10 1-11 Campbell Garcia 1-12 Menéndez Χ

> A BILL TO BE ENTITLED AN ACT

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relating to the Haskell County Hospital District; authorizing the issuance of bonds.

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

SECTION 1. Section 1040.052, Special District Local Laws Code, is amended to read as follows:

Sec. 1040.052. QUALIFICATIONS FOR OFFICE. $\underline{\text{(a)}}$ A person may not be appointed as a director unless the person[+

 $[\frac{(1)}{(1)}]$ is a district resident $[\frac{1}{(1)}]$

 $[\frac{(2)}{}$ owns land in the district subject to taxation].

A person may not be appointed as a director if the person (b)

is:

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a district employee; or

(2) an employee of Haskell County.

SECTION 2. Section 1040.152(c), Special District Local Laws Code, is amended to read as follows:

(c)

Any district <u>resident</u> [taxpayer] is entitled to:
(1) appear at the time and place designated in the notice; and

(2) be heard regarding any item included in the proposed budget.

SECTION 3. Section 1040.153, Special District Local Laws Code, is amended to read as follows:

Sec. 1040.153. FISCAL YEAR. The district operates on a fiscal year established by the board [that begins on October 1 and ends on September 30].

SECTION 4. Section 1040.154(b), Special District Local Laws Code, is amended to read as follows:

(b) The audit shall be open to inspection during regular business hours [Not later than December 31 each year, the audit shall be filed:

 $[\frac{1}{1}]$ with the comptroller; and

at the <u>district's principal</u> [<u>district</u>] office.

Section 1040.155(a), Special District Local Laws SECTION 5. Code, is amended to read as follows:

(a) The board by resolution shall designate a bank or banks Haskell County as the district's depository [or treasurer. A designated bank serves for two years and until a successor designated].

SECTION 6. Subchapter E, Chapter 1040, Special District Local Laws Code, is amended by adding Sections 1040.207, 1040.208, and 1040.209 to read as follows:

Sec. 1040.207. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, acquire, repair, 1-60 or equip buildings or improvements for hospitals and the hospital 1-61

system; or

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(2)acquire sites to be used for hospital purposes.

The bonds must be payable from and secured by a pledge of (b) or part of the revenue derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or

deed of trust on all or part of the district's property.

(d) The bonds must be issued in the manner and in accordance the procedures and requirements prescribed by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by a county hospital authority.

1040.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1040.202 and revenue and other sources as authorized by Section 1040.207.

Sec. 1040.209. USE OF BOND PROCEEDS. The district the proceeds of bonds issued under this subchapter to pay: The district may use

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is

acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;(6) costs related to the acquisition

of 1<u>and</u> interests in land for a project or facility to be provided through the bonds; and

construction costs of a project or facility to be (7) provided through the bonds, including the payment of related professional services and expenses.

Section 1040.053(b), Special District Local Laws SECTION 7. Code, is repealed.

SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

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