

BILL ANALYSIS

C.S.H.B. 594
By: VanDeaver
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that a county hospital authority may no longer be needed in certain areas of Texas, such as those with declining populations and changing economies. C.S.H.B. 594 seeks to address this issue by providing for a dissolution procedure for such an authority.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 594 amends the Health and Safety Code to authorize the commissioners court of a county by order to dissolve a county hospital authority created by the commissioners court if the commissioners court and the authority provide for the sale or transfer of the authority's assets and liabilities to the county. The bill prohibits the dissolution of an authority and the sale or transfer of the authority's assets and liabilities from violating a trust indenture or bond resolution relating to the outstanding bonds of the authority or from diminishing or impairing the rights of the holders of outstanding bonds, warrants, or other obligations of the authority. The bill makes an order dissolving an authority effective on the 31st day after the date the commissioners court adopts the order. The bill requires all records of the authority remaining when the authority is dissolved to be transferred to the county clerk of the county in which the authority is located.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 594 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subchapter A, Chapter 264, Health and Safety Code, is amended by	SECTION 1. Subchapter A, Chapter 264, Health and Safety Code, is amended by

adding Section 264.004 to read as follows:
Sec. 264.004. DISSOLUTION. (a) The commissioners court of a county by order may dissolve an authority created by the commissioners court if the commissioners court and the authority provide for the sale or transfer of the authority's assets and liabilities to the county.
(b) The dissolution of an authority and the sale or transfer of the authority's assets and liabilities may not:
(1) violate a trust indenture or bond resolution relating to the outstanding bonds of the authority; or
(2) diminish or impair the rights of the holders of outstanding bonds, warrants, or other obligations of the authority.
(c) An order dissolving an authority takes effect on the 31st day after the date the commissioners court adopts the order.
(d) All records of the authority remaining when the authority is dissolved shall be transferred to the district clerk of the county in which the authority is located.

SECTION 2. 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, 2017.

adding Section 264.004 to read as follows:
Sec. 264.004. DISSOLUTION. (a) The commissioners court of a county by order may dissolve an authority created by the commissioners court if the commissioners court and the authority provide for the sale or transfer of the authority's assets and liabilities to the county.
(b) The dissolution of an authority and the sale or transfer of the authority's assets and liabilities may not:
(1) violate a trust indenture or bond resolution relating to the outstanding bonds of the authority; or
(2) diminish or impair the rights of the holders of outstanding bonds, warrants, or other obligations of the authority.
(c) An order dissolving an authority takes effect on the 31st day after the date the commissioners court adopts the order.
(d) All records of the authority remaining when the authority is dissolved shall be transferred to the county clerk of the county in which the authority is located.

SECTION 2. Same as introduced version.