

BILL ANALYSIS

Senate Research Center

S.B. 17
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As Filed

DIGEST

Currently, public hospitals in Texas are governed by and operated under a number of distinct authorizing acts under the Health and Safety Code. County hospitals are governed by the County Hospital Authority Act, Chapter 264, Health and Safety Code. There are concerns that county hospitals are struggling to operate within the rapidly changing and increasingly competitive health care market. This bill authorizes county hospitals to borrow money in a certain manner.

PURPOSE

As proposed, S.B. 17 establishes certain powers and duties for county hospitals.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 264, Health and Safety Code, by adding Section 264.032, as follows:

Sec. 264.032. EMERGENCY BORROWING. Authorizes the board of directors of a county hospital authority (board) to borrow money at a rate of interest not to exceed the maximum annual percentage rate allowed by law for authority obligations at the time the loan is made under certain conditions. Authorizes the board to secure a loan by pledging certain items. Requires a loan for which bonds are pledged to mature not later than a certain date. Requires the loan for which authority revenues are pledged to mature not later than a certain date. Prohibits the board from spending money obtained from a loan for any purposes other than the intended purposes and for any purpose for which the pledged bonds were authorized.

SECTION 2. Amends Section 264.030, Health and Safety Code, to provide that this section does not apply to the sale or closing of a hospital as provided in Section 264.031, Health and Safety Code.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.