

CHAPTER 899

H.B. No. 1333

An Act relating to issuance of bonds by the Matagorda County Hospital District.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 41, Acts of the 59th Legislature, Regular Session, 1965, is amended by amending Section 10 and adding Section 10A to read as follows:

Sec. 10. The Board of Managers shall have the power and authority to issue and sell, as the obligations of such District, and in the name and upon the faith and credit of such District, *general obligation* bonds for the purchase, construction, acquisition, repair or renovation of buildings and improvements and equipping the same for hospital purposes and for any or all of such purposes. Said bonds shall be sold at such time or times, in such manner, at such price and on such terms as may be determined by said board. A sufficient annual tax shall be levied to create an interest and sinking fund to pay the interest on and principal of said bonds as same mature, providing said tax together with any other taxes levied for said District shall not exceed a rate of Seventy-Five Cents (75¢) on the One Hundred Dollars (\$100) valuation of all taxable property within said District in any one year. Such bonds shall be executed in the name of the District and on its behalf by the Chairman of the Board of Managers, countersigned by the Secretary of said board, and shall be subject to the same requirements in the manner of approval thereof by the Attorney General of the State of Texas and the registration thereof by the Comptroller of Public Accounts of the State of Texas as are by law provided for such approval and registration of bonds of counties of this state. Upon the approval of such bonds by the Attorney General of Texas and registration by the Comptroller, the same shall be incontestable for any cause. Until such time as the bond proceeds are needed to carry out the bond purpose, such proceeds may be invested in direct obligations of the United States of America or may be placed on time deposit (either or both). No *general obligation* bonds (except refunding bonds) shall be issued by such District until authorized by a majority vote of the duly qualified resident electors of said District [~~who own taxable property within said District and who have duly rendered the same for taxation~~], voting in an election called and held for such purpose. Such

election shall be called (except as provided in Section 5) by the Board of Managers on its own motion, and the order calling said election shall specify the date of same, the place or places where the election shall be held, the presiding officers thereof, the purpose for which the bonds are to be issued, the amount thereof, maximum interest (not to exceed *the maximum interest rate prescribed by Chapter 3, Acts of the 61st Legislature, Regular Session, 1969 (Article 717K-2, Vernon's Texas Civil Statutes)*) [~~six per cent (6%) per annum~~], and the maximum maturity date of such bonds (not to exceed forty (40) years from their date or dates of issuance). Notice of said election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation within the area of such District once a week for two consecutive weeks, the date of the first publication to be at least fourteen (14) days prior to the date set for said election. Said bonds may be made optional for redemption prior to their maturity date at the discretion of the Board of Managers. The District may, without election, issue bonds to refund and/or pay off any validly issued and outstanding District bonds, provided that such refunding bonds shall bear interest at the same rate or at a lesser rate than the bonds being refunded, unless it be shown mathematically that a savings will result in the total amount of interest to be paid.

Sec. 10A. (a) The Board of Managers may issue revenue bonds to:

(1) purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes; or

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

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the District's hospital system. The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of District property.

(c) The bonds must be issued in the manner provided by Sections 8, 10, 11, 12, and 13, Chapter 122, Acts of the 58th Legislature, Regular Session, 1963 (Article 4494r, Vernon's Texas Civil Statutes), for issuance of revenue bonds by county hospital authorities.

(d) An election is not required to authorize issuance of revenue bonds.

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 6, 1985, by the following vote: Yeas 136, Nays 0, 1 present, not voting; passed by the Senate on May 24, 1985, by the following vote: Yeas 29, Nays 0.

Approved: June 15, 1985

Effective: Immediately