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RQ-0552-90

May 15, 2002

The Honorable John Cornyn  
Attorney General of Texas  
P.O. Box 12548  
Austin, Texas 78711-2548

FILE # ML-42618-02  
I.D. # 42618

Attention: Susan Denmon Gusky, Chair Opinions Committee

Dear General Cornyn:

The Executive Committee, which is the governing body of the Office of Rural Community Affairs (ORCA), has asked that I seek an opinion from you concerning this agency's statutory responsibilities. ORCA was created in H.B. 7 by the 77<sup>th</sup> Legislature, Regular Session, effective January 1, 2002.

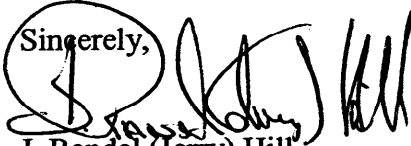
During the same legislative session, S.B. 115 was enacted directing the Center for Rural Health Initiatives (CRHI) to establish the Rural Foundation as a nonprofit corporation that complies with the Texas Non-Profit Corporation Act and as an organization exempt from federal income tax. H.B. 7, which created ORCA, abolished CRHI and transferred its responsibilities to ORCA. Thus, ORCA is now responsible for administering the provisions contained in S.B. 115. Section 110.002 of S.B. 115 states that the powers and duties of the Rural Foundation are as follows.

The Rural Foundation shall raise money from foundations, governmental entities, and other sources to **finance health programs** in the rural areas of the state. (emphasis added)

Texas Senator Frank Madla, an active participant in the adoption of S.B. 115, has expressed the opinion that the Legislature intended that the Rural Foundation's duties not be limited to only financing health programs, but to finance other programs in the rural areas of Texas as well.

The Executive Committee would appreciate you providing it your opinion on whether or not S.B. 115 enables the Rural Foundation to finance programs that are not health programs.

Thank you for your assistance in resolving this question. Please feel free to contact me should you have any questions or if I can provide further information.

Sincerely,  
  
J. Randel (Jerry) Hill  
General Counsel

x.c. Sam Tessen, Executive Director  
Office of Rural Community Affairs  
William M. Jeter, III, Chairman  
Office of Rural Community Affairs