

## **BILL ANALYSIS**

H.B. 2073  
By: Hilderbran  
Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Texas Health and Safety Code Chapter 285 governs the operations of hospital districts in Texas, including districts with their own enabling legislation and districts created under the general statute found at Health and Safety Code Chapter 286. When a hospital district is created, the residents of the proposed hospital district vote on whether to create the hospital district and, in the same election, set the limit for the maximum property tax rate, which may not exceed 75¢ on each \$100 valuation, the maximum set by Article IX, Section 9 of the Texas Constitution. However, there are currently no express statutory provisions on whether and how a hospital district can raise the maximum tax rate when the tax rate limit set at the election creating the district was not set at the maximum rate allowed by the Constitution.

In 2000, the Attorney General issued an opinion stating that a hospital district governed by Chapter 286 of the Health and Safety Code could not hold an election to raise the maximum tax rate because Chapter 286 did not contain any provisions authorizing such an election. See Tex. Atty. Gen. Opinion. JC-0247 (2000). HB 2073 would add Subchapter M to Chapter 285 of the Health and Safety Code, which would allow the voters of a hospital district to petition for and vote in an election to increase the maximum tax rate.

### **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**

#### Section 1

Amends Chapter 285, Health and Safety Code, by adding Subchapter M, which authorizes a hospital district's electorate to file a petition with the governing body of the hospital district requesting an election to increase the tax rate within the statutory cap of \$0.75. Permits residents of the hospital district to vote on whether or not to raise the maximum tax rate within the statutory cap. Establishes the process by which the election may be requested and the process by which the election is held.

#### Section 2

Establishes the effective date as immediate if the bill receives two-thirds vote of all members elected to each house as provided by Section 39, Article III, Texas Constitution. Otherwise September 1, 2003.

### **EFFECTIVE DATE**

Immediately, if the bill receives a two-thirds vote of all members elected to each house. Otherwise September 1, 2003.