

BILL ANALYSIS

C.S.H.B. 3297
By: Chavez
Border and International Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Office of Rural Community Affairs (ORCA) was created to coordinate the state's efforts in rural areas. ORCA is responsible for the states colonia initiatives. The Rural Health Foundation operated under ORCA is set up to raise funding for rural health initiatives. Similar to rural areas across the state, the 43 counties designated as the Texas Mexico Border Region (37 of which are rural) are medically underserved and shares many other common problems. Since the passage of NAFTA, there has been much funding earmarked by the Federal Government for the border. The border region, is felt by many, to need an organization similar to ORCA to coordinate projects in the region. An organization that could coordinate rural and border programs might benefit both parts of the state.

C.S.H.B. 3297 changes the name of the Office of Rural Community Affairs to the Office of Rural and Border Community Affairs. C.S.H.B. 3297 also establishes the Border Foundation, a non-profit corporation charged with raising money from foundations, governmental entities, and other sources to finance health programs in the counties along the Texas-Mexico Border.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTIONS 1. C.S.H.B. 3297 amends the name of the Office of Rural Community Affairs to the Office of Rural and Border Community Affairs.

SECTIONS 2- 9, 11 - 16. These sections make conforming changes necessitated by the name change in SECTION 1.

SECTION 10. C.S.H.B. 3297 amends the Health and Safety Code to require the Office of Border Health (office) under the Texas Department of Health to establish the Border Foundation (foundation) as a nonprofit corporation that qualifies as an organization exempt from federal income tax under Section 501(C)(3), Internal Revenue Code of 1986, as amended. The bill sets forth the powers and the duties of the foundation. The bill provides for the appointment, membership, and duties of a five-member board of directors of the foundation. The bill exempts property, income, and all other assets of the foundation from taxation by state and political subdivisions of the state.

C.S.H.B. 3297 requires the office and the foundation to enter into a memorandum of understanding that requires the directors and staff of the foundation to report to the executive director and executive committee of the office, that allows the office to provide staff functions to and expend funds on the foundation, and that outlines the financial contributions to be made to the foundation from funds obtained from grants and other sources.

C.S.H.B. 3297 also provides for the maintenance of financial records and reports of the foundation. The bill requires the foundation to submit to the office a report itemizing all income and expenditures and

describing all activities of the foundation during the preceding fiscal year, no later than the 60th day after the last day of the fiscal year.

SECTION 17. C.S.H.B. 3297 requires the office to create the foundation not later than June 1, 2004 and provides a schedule and guidelines for initial appointments to the board of directors.

SECTION 18. Effective Date.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute amends the original by making additional conforming changes as result of changing the name of Office of Rural Community Affairs to the Office of Rural and Border Community Affairs.

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