

BILL ANALYSIS

S.B. 200

By: Shapiro

Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, a countywide hospital district is required by the Texas Constitution to provide all medical and hospital services to the needy inhabitants of the county. Such districts have two primary sources of revenue, a tax levy that was approved by the voters when the district was created, and operating revenues. S.B. 200 would allow a hospital district as an alternative financing method, to pledge hospital system revenues and tax revenues to the payment of combination tax and revenue bonds and other obligations if the pledge is approved at an election held for that purpose.

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 BY SECTION ANALYSIS

SECTION 1. Amends Chapter 281F, Health and Safety Code, by adding Section 281.106, as follows:

Sec. 281.106. ALTERNATIVE FINANCING AND ELECTION PROCEDURES. (a) This section is applicable to any hospital district that was created pursuant to the authority granted by Section 4, Article IX, Texas Constitution, is operating under this chapter, and has previously held an election at which the voters approved the levy and assessment of an ad valorem tax at a rate not greater than 75 cents per \$100 of assessed valuation of taxable property within the district. (b) Authorizes the commissioners court to call, order, and hold an election, and submit the proposition and ballot prescribed in Subsections (c) and (d), in the district's name, if the district's board of managers makes certain findings and requests that the commissioners court call and hold an election under the alternative procedures authorized by this section. (c) Requires the official proposition submitted to the voters at an election held under this section to read in a particular form. (d) Requires the ballot to be arranged in a manner permitting the voters to vote for or against a particular summary of the proposition. (e) Requires the election order to include a general description of the district's proposed financing and improvement plans, estimates of the costs and revenues that will be received from the operation of proposed improvements, and other information deemed appropriate to inform the voters of the details of the proposed improvements to the district's hospital system and the financing plans. (f) Requires an election conducted pursuant to this section to be conducted in accordance with the procedures provided in Section 281.102 (Bond Election). (g) Authorizes the commissioners court to issue and execute certain bonds and other obligations if a majority of the votes received at the election favor the proposition. Authorizes the commissioners court, by order and if requested by the board of managers to extend or confirm the pledge to previously issued bonds and other obligations of the district. (h) Requires bonds and other short-term or long-term obligations secured in the manner authorized by this section to be payable from and secured by certain revenues of the

district's hospital system. Requires the district, through the commissioners court, to annually levy, assess, and collect ad valorem taxes on taxable property in the district within certain guidelines.

(i) Authorizes each district utilizing the alternative procedures permitted by this section to enter into, execute, and deliver any of the credit agreements permitted by Chapter 1371 (Obligations for Certain Public Improvements), Government Code, and to secure them by certain methods.

(j) Provides for the allocation of certain taxes to be applied as a payment on current debt in calculating the current debt rate under the applicable tax rate rollback provisions of Chapter 26 (Assessment), Tax Code.

(k) Provides that the procedures authorized by this section are alternative to the provisions of Chapter 284 (Special Provisions Relating to Hospital District Bonds) and other sections of this chapter and cumulative of and in addition to any powers granted to any district under those or any other laws.

EFFECTIVE DATE

Upon passage or September 1, 2003.