

By: Eiland, et al.

H.B. No. 918

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of certain counties to implement a pilot
3 program to provide certain indigent health care services and to the
4 funding of the program.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter A, Chapter 324, Tax Code, is amended
7 by adding Section 324.002 to read as follows:

8 Sec. 324.002. APPLICATION OF CERTAIN PROVISIONS TO CERTAIN
9 COUNTIES. Sections 324.021, 324.022, 324.061, and 324.081 do not
10 apply to a county that implements an indigent health care pilot
11 program and adopts a sales and use tax under Subchapter E.

12 SECTION 2. Chapter 324, Tax Code, is amended by adding
13 Subchapter E to read as follows:

14 SUBCHAPTER E. INDIGENT HEALTH CARE PILOT PROGRAM

15 Sec. 324.101. APPLICATION. This subchapter applies only to
16 a county:

- 17 (1) with a population of more than 200,000;
18 (2) in which a hospital district is not located; and
19 (3) in which a public medical school or health science
20 center is located.

21 Sec. 324.102. PILOT PROGRAM FOR INDIGENT HEALTH CARE. (a)
22 The commissioners court of a county may implement a pilot program in
23 the county to provide:

- 24 (1) secondary and tertiary level services for

1 residents of the county whose family income is not greater than 100
2 percent of the federal poverty level; and

3 (2) primary level services for residents of the county
4 whose family income is not greater than 200 percent of the federal
5 poverty level.

6 (b) The services the county provides must include:

7 (1) primary and preventive medical services a county
8 is required or authorized to provide under Chapter 61, Health and
9 Safety Code; and

10 (2) secondary or tertiary services the state provides
11 as part of the medical assistance program under Chapter 32, Human
12 Resources Code.

13 (c) As part of the pilot program, the county may provide for
14 case management services, utilization review, patient outreach
15 services, patient education, and patient transportation.

16 (d) The county shall prescribe appropriate goals and
17 performance measures for the program.

18 (e) The county may implement the pilot program only if:

19 (1) the voters of the county approve imposition of a
20 sales and use tax under Section 324.103; or

21 (2) funding for the program is available under Section
22 324.107.

23 Sec. 324.103. SALES AND USE TAX. (a) A county may adopt or
24 abolish a sales and use tax authorized by this subchapter to provide
25 funding for an indigent health care pilot program if imposition of
26 the tax is approved at an election called and held for that purpose
27 as provided by Section 324.104.

1 (b) The tax authorized by this subchapter may be imposed in
2 increments of one-eighth of one percent, with a minimum tax rate of
3 one-eighth of one percent and a maximum tax rate of one percent.

4 (c) Sections 323.101(b), (d), and (e) do not apply to the
5 tax imposed under this subchapter.

6 Sec. 324.104. ELECTION PROCEDURE. (a) The commissioners
7 court of the county may call an election to adopt or abolish the tax
8 under this subchapter. The commissioners court shall call an
9 election to adopt or abolish the tax if it receives a petition
10 signed by a number of petitioners equal to at least five percent of
11 the number of registered voters in the county.

12 (b) At the election to adopt the tax, the ballot shall be
13 prepared to permit voting for or against the proposition: "The
14 adoption of a local sales and use tax in (name of county) at the rate
15 of _____ (insert rate) to provide revenue for an indigent health
16 care pilot program."

17 (c) At the election to abolish the tax, the ballot shall be
18 prepared to permit voting for or against the proposition: "The
19 abolishment of the local indigent health care pilot program sales
20 and use tax in (name of county)."

21 Sec. 324.105. REAUTHORIZATION OF PILOT PROGRAM AND TAX. (a)
22 Unless the imposition of the sales and use tax authorized by this
23 subchapter is reauthorized as provided by this section, the tax and
24 the pilot program expire on the sixth anniversary of the date the
25 tax originally took effect.

26 (b) An election to reauthorize the tax is called and held in
27 the same manner as an election to adopt the tax under Section

1 324.104, except the ballot proposition shall be prepared to permit
2 voting for or against the proposition: "The reauthorization of the
3 local sales and use tax in (name of county) at the rate of _____
4 (insert rate) to continue providing revenue for indigent health
5 care."

6 (c) If an election to reauthorize the tax is not held before
7 the tax expires as provided by Subsection (a), or if a majority of
8 the votes cast in an election to reauthorize the tax do not favor
9 reauthorization, the county may not call an election on the
10 question of authorizing a new tax under this subchapter before the
11 first anniversary of the date on which the tax expired.

12 (d) Not later than the 10th day after the date the county
13 determines that the tax will expire as provided by Subsection (a),
14 the county shall notify the comptroller of the scheduled
15 expiration. The comptroller may delay the scheduled expiration date
16 if the comptroller notifies the county that more time is required.
17 The comptroller must provide a new expiration date that is not
18 later than the last day of the first calendar quarter occurring
19 after the notification to the comptroller.

20 Sec. 324.106. EFFECT OF STATE TAX RATE INCREASE.
21 Notwithstanding any other provision of this subchapter, if the rate
22 of the state sales and use tax imposed under Chapter 151 is
23 increased over the rate of the tax on January 1, 2003, the rate of a
24 tax imposed under this subchapter is automatically decreased on the
25 date the state rate increase takes effect to the highest rate that
26 will not result in a tax rate of more than 7-1/4 percent when the
27 state sales and use tax and a tax imposed under this subchapter are

1 combined.

2 Sec. 324.107. SUSPENSION OF TAX UNDER CERTAIN
3 CIRCUMSTANCES. (a) Notwithstanding any other provision of this
4 subchapter, a county shall suspend collection of the tax imposed
5 under this subchapter during any state fiscal year for which the
6 state legislature appropriates at least \$6 million to fund the
7 indigent health care pilot program in that county.

8 (b) The county shall notify the comptroller if the tax will
9 be suspended under this section. The suspension takes effect on the
10 first day of the fiscal year for which the legislature appropriates
11 money and ends on the last day of that fiscal year.

12 Sec. 324.108. STATE AUDITOR REVIEW. The state auditor shall
13 review a pilot program created under this subchapter and report the
14 auditor's findings to the legislature.

15 Sec. 324.109. USE OF TAX REVENUE. Revenue from the tax
16 imposed under this subchapter may be used only to provide funding
17 for an indigent health care pilot program created by the county as
18 provided by this subchapter.

19 Sec. 324.110. EXPIRATION. This subchapter expires
20 September 1, 2009.

21 SECTION 3. Chapter 26, Tax Code, is amended by adding
22 Section 26.0435 to read as follows:

23 Sec. 26.0435. EFFECTIVE TAX RATE IN COUNTY IMPOSING
24 INDIGENT HEALTH CARE PILOT PROGRAM SALES AND USE TAX. (a) Except as
25 provided by Subsection (b), in the tax year in which a county has
26 set an election on the question of whether to impose a local sales
27 and use tax under Subchapter E, Chapter 324, the officer or employee

1 designated to make the calculations provided by Section 26.04 may
2 not make those calculations until the outcome of the election is
3 determined. If the election is determined in favor of the
4 imposition of the tax, the representative shall subtract from the
5 county's rollback and effective tax rates the amount that, if
6 applied to the county's current total value, would impose an amount
7 equal to 50 percent of the amount the county spent on health care
8 services under Sections 61.028 and 61.0285, Health and Safety Code,
9 during the previous tax year, as reported to the Texas Department of
10 Health under Section 61.041, Health and Safety Code.

11 (b) If the election to impose the local sales and use tax
12 under Subchapter E, Chapter 324, is scheduled to be held after
13 October 1, the county shall apply the provisions of Subsection (a)
14 during the next tax year.

15 (c) In a tax year to which this section applies, a reference
16 in this chapter to the county's effective or rollback tax rate
17 refers to that rate as adjusted under this section.

18 SECTION 4. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2003.

