

By: Barrientos, Wentworth

S.B. No. 1905

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation, administration, and operation of and the
3 property tax rate imposed by certain countywide hospital districts.

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

5 SECTION 1. Section 281.002, Health and Safety Code, is
6 amended by adding Subsection (c) to read as follows:

7 (c) A county with at least 190,000 inhabitants that has
8 within its boundaries a municipality that owns and operates a
9 hospital or hospital system for indigent or needy persons may
10 create a countywide hospital district and take over the hospital or
11 hospital system to furnish medical aid and hospital care to
12 indigent and needy persons residing in the district.

13 SECTION 2. Section 281.004, Health and Safety Code, is
14 amended to read as follows:

15 Sec. 281.004. BALLOT PROPOSITIONS. (a) Except as provided
16 by Subsection (b), the ballot for an election under this chapter
17 shall be printed to provide for voting for or against the
18 proposition: "The creation of a hospital district and the levy of a
19 tax not to exceed _____ (insert the amount prescribed by the
20 petition, not to exceed 75 cents) on each \$100 of the taxable value
21 of property taxable by the district."

22 (b) If the county or a municipality in the county has any
23 outstanding bonds issued for hospital purposes, the ballot for an
24 election under this chapter shall be printed to provide for voting

1 for or against the proposition: "The creation of a hospital
2 district, the levy of a tax not to exceed _____ (insert the
3 amount prescribed by the petition, not to exceed 75 cents) on each
4 \$100 of the taxable value of property taxable by the district, and
5 the assumption by the district of all outstanding bonds previously
6 issued for hospital purposes by _____ County and by any
7 municipality in the county."

8 SECTION 3. Section 281.021, Health and Safety Code, is
9 amended by adding Subsection (d) to read as follows:

10 (d) If a district is created under this chapter in Travis
11 County, the district shall be governed by a nine-member board of
12 hospital managers, appointed as follows:

13 (1) the Commissioners Court of Travis County shall
14 appoint four members;

15 (2) the Austin City Council shall appoint four
16 members; and

17 (3) the Commissioners Court of Travis County and the
18 Austin City Council shall jointly appoint one member.

19 SECTION 4. Section 281.022, Health and Safety Code, is
20 amended by adding Subsection (c) to read as follows:

21 (c) The members of a board of hospital managers appointed
22 under Section 281.021(d) serve staggered four-year terms, with as
23 near as possible to one-fourth of the members' terms expiring each
24 year. The terms of the members appointed under that section are as
25 follows:

26 (1) the members appointed solely by the Austin City
27 Council shall draw lots to determine which member serves a one-year

1 term, which member serves a two-year term, which member serves a
2 three-year term, and which member serves a four-year term;

3 (2) the members appointed solely by the Commissioners
4 Court of Travis County shall draw lots to determine which member
5 serves a one-year term, which member serves a two-year term, which
6 member serves a three-year term, and which member serves a
7 four-year term; and

8 (3) the member appointed jointly by the Austin City
9 Council and the Commissioners Court of Travis County serves a
10 four-year term.

11 SECTION 5. Section 281.041, Health and Safety Code, is
12 amended by amending Subsections (a) and (b) and adding Subsections
13 (e) and (f) to read as follows:

14 (a) Except as provided by Subsection (e), on ~~On~~ the
15 creation of a district under this chapter and the appointment and
16 qualification of the district board, the county owning the hospital
17 or hospital system, ~~or~~ the county and municipality jointly
18 operating a hospital or hospital system, or the municipality owning
19 or operating a hospital or hospital system shall execute and
20 deliver to the district board a written instrument conveying to the
21 district the title to land, buildings, and equipment jointly or
22 separately owned by the county and municipality and used to provide
23 medical services or hospital care, including geriatric care, to
24 indigent or needy persons of the county or municipality.

25 (b) On the creation of a district under this chapter and the
26 appointment and qualification of the district board, the county
27 owning the hospital or hospital system, ~~or~~ the county and

1 municipality jointly operating a hospital or hospital system, or
2 the municipality owning or operating a hospital or hospital system
3 shall, on the receipt of a certificate executed by the board's
4 chairman stating that a depository for the district has been chosen
5 and qualified, transfer to the district:

6 (1) all joint or separate county and municipal funds
7 that are the proceeds of any bonds assumed by the district under
8 Section 281.044; and

9 (2) all unexpended joint or separate county and
10 municipal funds that have been established or appropriated by the
11 county or municipality to support and maintain the hospital
12 facilities for the year in which the district is created, to be used
13 by the district to operate and maintain those facilities for the
14 remainder of the year.

15 (e) A county or municipality transferring property or funds
16 under this section is not required to transfer to the district:

17 (1) a medical facility used primarily for the
18 treatment of inmates of a jail or any other correctional
19 facilities, including juvenile justice facilities;

20 (2) property owned by the municipality that is used in
21 connection with the provision of utility services, including
22 electricity, water, wastewater, and sewer services;

23 (3) any real property or other assets related to a
24 medical clinic facility on which construction has begun, but has
25 not been completed, by the date on which the board members have been
26 appointed and qualified to serve;

27 (4) a building and related land owned by the county or

1 municipality that are used for purposes related or unrelated to the
2 hospital or hospital system, except that:

3 (A) if the county or municipality retains
4 ownership of the building and related land, the county or
5 municipality shall lease the space used for hospital or hospital
6 system purposes to the district for an initial term of three years
7 unless a shorter term is otherwise agreed to by the district and the
8 transferring entity; or

9 (B) if the county or municipality transfers the
10 building and related land to the district, the district shall lease
11 to the transferring entity the space not used for hospital or
12 hospital system purposes for an initial term of three years unless a
13 shorter term is otherwise agreed to by the district and the
14 transferring entity;

15 (5) any or all of the public health services and
16 related facilities of the county or municipality, other than a
17 hospital or hospital district, unless the transfer of the public
18 health services or a related facility to the district is mutually
19 agreed to by the district and the transferring entity; or

20 (6) an ambulance service, emergency medical service,
21 search and rescue service, or medical transport service that is
22 owned or operated by the county or municipality, or unless the
23 transfer of all or part of the service and related buildings and
24 equipment to the district is mutually agreed to by the district and
25 the transferring entity.

26 (f) A transfer of an asset under this section, including a
27 federally qualified health center, that would violate federal or

1 state law unless a waiver or other authorization or approval is
2 granted by a federal or state agency may not occur until the
3 required waiver, authorization, or approval is obtained. A
4 facility designated as a federally qualified health center under 42
5 U.S.C. Section 1396d(1)(2)(B), as amended, may not be transferred
6 to the district until the district board has confirmed that the
7 transfer will not jeopardize the federal designation of that
8 facility.

9 SECTION 6. Section 281.043, Health and Safety Code, is
10 amended to read as follows:

11 Sec. 281.043. ASSUMPTION OF CONTRACT OBLIGATIONS. On the
12 creation of the district, the district assumes, without prejudice
13 to the rights of third parties, any outstanding contract
14 obligations legally incurred by the county or municipality, or
15 both, for the construction, support, ~~or~~ maintenance, or operation
16 of hospital facilities and the provision of health care services or
17 hospital care, including mental health care, to indigent residents
18 of the county or municipality before the creation of the district.

19 SECTION 7. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2003.