

1-1 By: Barrientos, Wentworth S.B. No. 1905
1-2 (In the Senate - Filed April 8, 2003; April 9, 2003, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 24, 2003, reported favorably by the following
1-5 vote: Yeas 4, Nays 0; April 24, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the creation, administration, and operation of and the
1-9 property tax rate imposed by certain countywide hospital districts.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 281.002, Health and Safety Code, is
1-12 amended by adding Subsection (c) to read as follows:

1-13 (c) A county with at least 190,000 inhabitants that has
1-14 within its boundaries a municipality that owns and operates a
1-15 hospital or hospital system for indigent or needy persons may
1-16 create a countywide hospital district and take over the hospital or
1-17 hospital system to furnish medical aid and hospital care to
1-18 indigent and needy persons residing in the district.

1-19 SECTION 2. Section 281.004, Health and Safety Code, is
1-20 amended to read as follows:

1-21 Sec. 281.004. BALLOT PROPOSITIONS. (a) Except as provided
1-22 by Subsection (b), the ballot for an election under this chapter
1-23 shall be printed to provide for voting for or against the
1-24 proposition: "The creation of a hospital district and the levy of a
1-25 tax not to exceed _____ (insert the amount prescribed by the
1-26 petition, not to exceed 75 cents) on each \$100 of the taxable value
1-27 of property taxable by the district."

1-28 (b) If the county or a municipality in the county has any
1-29 outstanding bonds issued for hospital purposes, the ballot for an
1-30 election under this chapter shall be printed to provide for voting
1-31 for or against the proposition: "The creation of a hospital
1-32 district, the levy of a tax not to exceed _____ (insert the
1-33 amount prescribed by the petition, not to exceed 75 cents) on each
1-34 \$100 of the taxable value of property taxable by the district, and
1-35 the assumption by the district of all outstanding bonds previously
1-36 issued for hospital purposes by _____ County and by any
1-37 municipality in the county."

1-38 SECTION 3. Section 281.021, Health and Safety Code, is
1-39 amended by adding Subsection (d) to read as follows:

1-40 (d) If a district is created under this chapter in Travis
1-41 County, the district shall be governed by a nine-member board of
1-42 hospital managers, appointed as follows:

1-43 (1) the Commissioners Court of Travis County shall
1-44 appoint four members;

1-45 (2) the Austin City Council shall appoint four
1-46 members; and

1-47 (3) the Commissioners Court of Travis County and the
1-48 Austin City Council shall jointly appoint one member.

1-49 SECTION 4. Section 281.022, Health and Safety Code, is
1-50 amended by adding Subsection (c) to read as follows:

1-51 (c) The members of a board of hospital managers appointed
1-52 under Section 281.021(d) serve staggered four-year terms, with as
1-53 near as possible to one-fourth of the members' terms expiring each
1-54 year. The terms of the members appointed under that section are as
1-55 follows:

1-56 (1) the members appointed solely by the Austin City
1-57 Council shall draw lots to determine which member serves a one-year
1-58 term, which member serves a two-year term, which member serves a
1-59 three-year term, and which member serves a four-year term;

1-60 (2) the members appointed solely by the Commissioners
1-61 Court of Travis County shall draw lots to determine which member
1-62 serves a one-year term, which member serves a two-year term, which
1-63 member serves a three-year term, and which member serves a
1-64 four-year term; and

2-1 (3) the member appointed jointly by the Austin City
2-2 Council and the Commissioners Court of Travis County serves a
2-3 four-year term.

2-4 SECTION 5. Section 281.041, Health and Safety Code, is
2-5 amended by amending Subsections (a) and (b) and adding Subsections
2-6 (e) and (f) to read as follows:

2-7 (a) Except as provided by Subsection (e), on [On] the
2-8 creation of a district under this chapter and the appointment and
2-9 qualification of the district board, the county owning the hospital
2-10 or hospital system, [or] the county and municipality jointly
2-11 operating a hospital or hospital system, or the municipality owning
2-12 or operating a hospital or hospital system shall execute and
2-13 deliver to the district board a written instrument conveying to the
2-14 district the title to land, buildings, and equipment jointly or
2-15 separately owned by the county and municipality and used to provide
2-16 medical services or hospital care, including geriatric care, to
2-17 indigent or needy persons of the county or municipality.

2-18 (b) On the creation of a district under this chapter and the
2-19 appointment and qualification of the district board, the county
2-20 owning the hospital or hospital system, [or] the county and
2-21 municipality jointly operating a hospital or hospital system, or
2-22 the municipality owning or operating a hospital or hospital system
2-23 shall, on the receipt of a certificate executed by the board's
2-24 chairman stating that a depository for the district has been chosen
2-25 and qualified, transfer to the district:

2-26 (1) all joint or separate county and municipal funds
2-27 that are the proceeds of any bonds assumed by the district under
2-28 Section 281.044; and

2-29 (2) all unexpended joint or separate county and
2-30 municipal funds that have been established or appropriated by the
2-31 county or municipality to support and maintain the hospital
2-32 facilities for the year in which the district is created, to be used
2-33 by the district to operate and maintain those facilities for the
2-34 remainder of the year.

2-35 (e) A county or municipality transferring property or funds
2-36 under this section is not required to transfer to the district:

2-37 (1) a medical facility used primarily for the
2-38 treatment of inmates of a jail or any other correctional
2-39 facilities, including juvenile justice facilities;

2-40 (2) property owned by the municipality that is used in
2-41 connection with the provision of utility services, including
2-42 electricity, water, wastewater, and sewer services;

2-43 (3) any real property or other assets related to a
2-44 medical clinic facility on which construction has begun, but has
2-45 not been completed, by the date on which the board members have been
2-46 appointed and qualified to serve;

2-47 (4) a building and related land owned by the county or
2-48 municipality that are used for purposes related or unrelated to the
2-49 hospital or hospital system, except that:

2-50 (A) if the county or municipality retains
2-51 ownership of the building and related land, the county or
2-52 municipality shall lease the space used for hospital or hospital
2-53 system purposes to the district for an initial term of three years
2-54 unless a shorter term is otherwise agreed to by the district and the
2-55 transferring entity; or

2-56 (B) if the county or municipality transfers the
2-57 building and related land to the district, the district shall lease
2-58 to the transferring entity the space not used for hospital or
2-59 hospital system purposes for an initial term of three years unless a
2-60 shorter term is otherwise agreed to by the district and the
2-61 transferring entity;

2-62 (5) any or all of the public health services and
2-63 related facilities of the county or municipality, other than a
2-64 hospital or hospital district, unless the transfer of the public
2-65 health services or a related facility to the district is mutually
2-66 agreed to by the district and the transferring entity; or

2-67 (6) an ambulance service, emergency medical service,
2-68 search and rescue service, or medical transport service that is
2-69 owned or operated by the county or municipality, or unless the

3-1 transfer of all or part of the service and related buildings and
3-2 equipment to the district is mutually agreed to by the district and
3-3 the transferring entity.

3-4 (f) A transfer of an asset under this section, including a
3-5 federally qualified health center, that would violate federal or
3-6 state law unless a waiver or other authorization or approval is
3-7 granted by a federal or state agency may not occur until the
3-8 required waiver, authorization, or approval is obtained. A
3-9 facility designated as a federally qualified health center under 42
3-10 U.S.C. Section 1396d(1)(2)(B), as amended, may not be transferred
3-11 to the district until the district board has confirmed that the
3-12 transfer will not jeopardize the federal designation of that
3-13 facility.

3-14 SECTION 6. Section 281.043, Health and Safety Code, is
3-15 amended to read as follows:

3-16 Sec. 281.043. ASSUMPTION OF CONTRACT OBLIGATIONS. On the
3-17 creation of the district, the district assumes, without prejudice
3-18 to the rights of third parties, any outstanding contract
3-19 obligations legally incurred by the county or municipality, or
3-20 both, for the construction, support, [~~or~~] maintenance, or operation
3-21 of hospital facilities and the provision of health care services or
3-22 hospital care, including mental health care, to indigent residents
3-23 of the county or municipality before the creation of the district.

3-24 SECTION 7. This Act takes effect immediately if it receives
3-25 a vote of two-thirds of all the members elected to each house, as
3-26 provided by Section 39, Article III, Texas Constitution. If this
3-27 Act does not receive the vote necessary for immediate effect, this
3-28 Act takes effect September 1, 2003.

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