

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 12, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB200 by Shapiro (Relating to authorizing hospital districts located in counties having a population of two million or more 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, and related matters.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 281, Health and Safety Code, to authorize hospital districts located in counties that have a population of two million or more, 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. If approved by the majority of voters, the commissioners court of the county in which the hospital district is located would be authorized to issue and execute, on behalf of and in the name of the district, combination tax and revenue bonds and other short-term and long-term obligations in the amounts and upon the terms recommended and times requested by the district's board of managers. The bill would take effect immediately if it receives a vote of two-thirds of all members of both houses; otherwise, it would take effect September 1, 2003.

Local Government Impact

Only two counties (Dallas and Harris) have a population of two million or more and in which a hospital district in that county was authorized by Section 4, Article IX, Texas Constitution. Authorities in both Harris and Dallas counties indicate that there would be no fiscal impact to the operational budget of the county or the hospital districts as a result of the provisions of the bill. The bill would establish an alternate method of financing hospital district projects.

If the county commissioners court were to hold an election regarding pledging hospital system revenues and tax revenues to the payment of combination tax and revenue bonds and other obligations, it would incur full election costs if a special election were to be held on a uniform election date other than the county's general election date. If the issue were to appear on the ballot on the general election date, election costs would be increased, but usually not significantly.

Source Agencies: 304 Comptroller Of Public Accounts, 352 Bond Review Board

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