

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 21, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1905 by Barrientos (Relating to the creation, administration, and operation of and the property tax rate imposed by certain countywide hospital districts.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize a county that has a population of at least 190,000 and has within its boundaries a municipality that owns and operates a hospital or hospital system for indigent or needy persons to create a countywide hospital district and take over the hospital or hospital system to furnish medical aid and hospital care to indigent and needy persons residing in the district. The district may be created only if approved by a majority of the qualified voters of the county in which the district would be created. Provisions of the bill specify how the hospital or hospital system would be conveyed from the municipality to the county.

The bill includes provisions that would be specific to the creation of a countywide hospital district in Travis County.

The bill would take effect immediately if it receives a vote of two-thirds in each house; otherwise, it would take effect September 1, 2003.

Travis County noted that creation of a hospital district would not require any reduction in the county's budget or in the county tax rate, as the hospital district would be allowed to levy a tax no greater than 75 cents on \$100 valuation. The hospital district would assume services that are currently provided by the county, as well as those currently provided by the City of Austin. The county currently has a budget of \$6.4 million for indigent health care in the General Fund; slightly over \$1 million in Medicaid, Medicare, and other revenue in a dedicated fund; and almost \$8.9 million for emergency medical services in an interlocal agreement with the City of Austin. The county would incur costs of holding an election regarding establishment of a countywide hospital district.

The City of Austin reports that implementation of the bill would result in both cost and revenue reductions that would offset one another, resulting in a neutral fiscal impact to the city.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, JB, DLBa