

By: Villarreal, Menendez, Flores, et al.

H.B. No. 2463

Substitute the following for H.B. No. 2463:

By: Smith of Harris

C.S.H.B. No. 2463

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the creation of health care funding districts in  
3 certain counties and authorizing the districts to impose taxes on  
4 certain institutional health care providers located in the  
5 districts.

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

7 SECTION 1. Subtitle D, Title 4, Health and Safety Code, is  
8 amended by adding Chapters 288-291 to read as follows:

9 CHAPTER 288. HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES  
10 LOCATED ON TEXAS-MEXICO BORDER THAT ARE ADJACENT TO COUNTIES WITH  
11 POPULATION OF 50,000 OR MORE

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 288.001. DEFINITIONS. In this chapter:

14 (1) "Commission" means the commission of a district  
15 created under this chapter.

16 (2) "District" means a county health care funding  
17 district created by this chapter.

18 (3) "District taxpayer" means a person or entity  
19 subject to a tax imposed under this chapter.

20 (4) "Institutional health care provider" means a  
21 nonpublic general hospital licensed under Chapter 241.

22 Sec. 288.002. CREATION OF DISTRICT. A district is created  
23 in each county located on the Texas-Mexico border that has a  
24 population of 500,000 or more and is adjacent to two or more

1 counties each of which has a population of 50,000 or more.

2 Sec. 288.003. DURATION OF DISTRICT. (a) Unless continued  
3 in existence by the legislature, a district created by this chapter  
4 is abolished September 1, 2007.

5 (b) Any money held by a district at the time the district is  
6 abolished shall be used to pay any outstanding administrative  
7 expenses of the district, and the commission shall direct the  
8 secretary of the commission to return the pro rata share of any  
9 remaining district money to each district taxpayer.

10 Sec. 288.004. POLITICAL SUBDIVISION. A district created by  
11 this chapter is a political subdivision of this state.

12 Sec. 288.005. DISTRICT TERRITORY. The boundaries of each  
13 district are coextensive with the boundaries of the county in which  
14 the district is created.

15 [Sections 288.006-288.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Sec. 288.051. COMMISSION; APPOINTMENT. (a) Each district  
18 is governed by a commission of five members appointed as provided by  
19 this section.

20 (b) Each county commissioner on the commissioners court of  
21 the county in which the district is located shall appoint one member  
22 who meets the qualifications prescribed by Section 288.052 to serve  
23 on the commission. The county judge of the county shall appoint one  
24 member who meets the qualifications prescribed by Section 288.052  
25 to serve on the commission.

26 Sec. 288.052. QUALIFICATION OF MEMBERS OF COMMISSION. To  
27 be eligible to serve as a member of the commission, a person must:

1           (1) be a United States citizen;

2           (2) be 18 years of age or older on the first day of the  
3 term that the person is appointed to fill;

4           (3) have not been determined mentally incompetent by a  
5 final judgment of a court;

6           (4) have not been finally convicted of a felony from  
7 which the person has not been pardoned or otherwise released from  
8 the resulting disabilities;

9           (5) have resided continuously in this state for 12  
10 months and in the county in which the district is located for six  
11 months immediately preceding the date of the appointment; and

12           (6) be a person knowledgeable in the field of health  
13 care.

14           Sec. 288.053. TERM OF MEMBERS OF COMMISSION. The members of  
15 the commission serve staggered two-year terms.

16           Sec. 288.054. VACANCY. (a) If a vacancy occurs on the  
17 commission, the commissioners court of the county in which the  
18 district is located shall appoint a qualified person to fill the  
19 vacancy not later than the 30th day after the date the vacancy  
20 occurs.

21           (b) If the commissioners court of the county in which the  
22 district is located does not appoint a member to the commission to  
23 fill a vacancy by the 30th day after the date the vacancy occurs,  
24 the remaining members of the commission may, by vote of the  
25 commission, appoint a replacement.

26           Sec. 288.055. OFFICERS. (a) Each commission shall elect a  
27 chairperson and a secretary from among its members.

1       (b) The chairperson and secretary shall each serve in that  
2 office until the expiration of their term as a member of the  
3 commission.

4       Sec. 288.056. COMPENSATION; EXPENSES. A member of the  
5 commission serves without compensation but may, on the approval of  
6 the entire commission, be reimbursed for actual expenses incurred  
7 in the performance of the member's official duties.

8       Sec. 288.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. The  
9 commission may employ an attorney, financial advisor, and  
10 bookkeeper for the district or contract for those services.

11       Sec. 288.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
12 Except as otherwise provided by law, all district records,  
13 including books, accounts, notices, minutes, and all other matters  
14 of the district and the operation of its facilities, shall be:

- 15               (1) maintained at the district office; and  
16               (2) open to public inspection at the district office  
17 during reasonable hours.

18               [Sections 288.059-288.100 reserved for expansion]

19                       SUBCHAPTER C. POWERS AND DUTIES

20       Sec. 288.101. LIMITATION ON TAXING AUTHORITY. Each  
21 district may impose taxes only in the manner provided by this  
22 chapter.

23       Sec. 288.102. MAJORITY VOTE REQUIRED. (a) A district may  
24 not impose any tax authorized by this chapter, spend any money,  
25 including for the administrative expenses of the district, or  
26 conduct any other business of the commission without an affirmative  
27 vote of a majority of the members of the commission.

1       (b) Before imposing a tax under this chapter in any one  
2 year, the commission must obtain the affirmative vote required by  
3 Subsection (a).

4       Sec. 288.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES.

5       (a) In addition to the majority vote required under Section  
6 288.102, a district may not spend any money of the district unless  
7 the district receives the approval of at least 95 percent of the  
8 district taxpayers.

9       (b) This section does not apply to expenditures related to  
10 the administrative matters of the district.

11       Sec. 288.104. RULES AND PROCEDURES. (a) The commission may  
12 adopt rules governing the operation of the district, including  
13 rules relating to the administration of a tax authorized by this  
14 chapter.

15       (b) In order to implement the requirements of Sections  
16 288.102 and 288.103, the commission shall adopt any necessary  
17 procedures.

18       Sec. 288.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
19 The commission may prescribe the method and manner for making  
20 purchases and expenditures by the district.

21       (b) The commission shall prescribe:

- 22               (1) all accounting and control procedures; and  
23               (2) the method of purchasing necessary supplies,  
24 materials, and equipment.

25       Sec. 288.106. INSTITUTIONAL HEALTH CARE PROVIDER  
26 REPORTING; INSPECTION OF RECORDS. (a) A district shall require an  
27 institutional health care provider to submit to the district a copy

1 of any financial and utilization data required by and reported to  
2 the Department of State Health Services under Sections 311.032 and  
3 311.033 and any rules adopted by the department to implement those  
4 sections.

5 (b) A district may inspect the records of an institutional  
6 health care provider to the extent necessary to ensure that the  
7 provider has submitted all required data under this section.

8 Sec. 288.107. AUTHORITY TO SUE AND BE SUED. Each district  
9 may sue and be sued in its own name in any court of this state as a  
10 governmental agency.

11 [Sections 288.108-288.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 288.151. BUDGET. (a) Each year, the commission shall  
14 prepare a budget for the following fiscal year that includes:

- 15 (1) proposed expenditures and disbursements;  
16 (2) estimated receipts and collections; and  
17 (3) the rates and amounts of any taxes that the  
18 commission intends to impose during the year.

19 (b) The commission shall hold a public hearing on the  
20 proposed budget. Not later than the 10th day before the date of the  
21 hearing, the commission shall publish at least once notice of the  
22 hearing in a newspaper of general circulation in the county in which  
23 the district is located.

24 (c) Any district taxpayer is entitled to appear at the time  
25 and place designated in the public notice and to be heard regarding  
26 any item shown in the proposed budget.

27 Sec. 288.152. FISCAL YEAR. Each district's fiscal year

1 begins on September 1 and ends on August 31 of each year.

2 Sec. 288.153. ANNUAL AUDIT. (a) For each fiscal year, each  
3 commission shall have an independent audit made of the district's  
4 books and records.

5 (b) Not later than December 31 of each year, the audit made  
6 for a district shall be filed with the comptroller and at the office  
7 of the district.

8 Sec. 288.154. DEPOSITORY. (a) Each commission by  
9 resolution shall designate one or more banks located in the  
10 district as the depository for the district. A bank designated as  
11 depository serves for two years or until a successor is designated.

12 (b) All income received by a district, including tax revenue  
13 after deducting discounts and fees for assessing and collecting the  
14 taxes, shall be deposited with the district depository and may be  
15 withdrawn only as provided by this chapter.

16 (c) All district funds shall be secured in the manner  
17 provided for securing county funds.

18 [Sections 288.155-288.200 reserved for expansion]

19 SUBCHAPTER E. TAXES

20 Sec. 288.201. TAX ON OUTPATIENT HOSPITAL SERVICES. (a) The  
21 commission of a district may impose an annual tax on all outpatient  
22 hospital visits to an institutional health care provider located in  
23 the district. In the first year in which the tax is imposed, the tax  
24 is assessed on the total number of outpatient hospital visits of an  
25 institutional health care provider reported to the Department of  
26 State Health Services under Sections 311.032 and 311.033 in the  
27 most recent fiscal year for which the information is available. The

1 district shall update this tax basis with the number of outpatient  
2 hospital visits reported on a biennial basis.

3 (b) A tax imposed under this section must be imposed  
4 uniformly on each institutional health care provider of outpatient  
5 hospital services located in the district. A tax imposed under this  
6 section also may not hold harmless any institutional health care  
7 provider of outpatient hospital services, as required under 42  
8 U.S.C. Section 1396b(w).

9 (c) The commission shall set the rate of the tax imposed  
10 under this section. The rate may not exceed \$100 for each  
11 outpatient hospital visit.

12 (d) Subject to the maximum tax rate prescribed by Subsection  
13 (c), the commission shall set the rate of the tax at a rate that will  
14 generate sufficient revenue to cover the administrative expenses of  
15 the district, to fund the nonfederal share of a Medicaid  
16 supplemental payment program, and to pay for indigent health care  
17 services, except that the amount of tax revenue used for  
18 administrative expenses of the district in a year may not exceed the  
19 lesser of four percent of the total revenue generated from the tax  
20 or \$20,000.

21 (e) An institutional health care provider may not add a tax  
22 imposed under this section as a surcharge to a patient.

23 (f) An institutional health care provider that is a hospital  
24 that primarily treats patients with mental illness is exempt from a  
25 tax imposed by this section.

26 Sec. 288.202. ASSESSMENT AND COLLECTION OF TAXES. (a)  
27 Except as provided by Subsection (b), the county tax

1 assessor-collector shall collect a tax imposed under this  
2 subchapter unless the commission employs a tax assessor and  
3 collector for the district. The county tax assessor-collector  
4 shall charge and deduct from taxes collected for the district a fee  
5 for collecting the tax in an amount determined by the commission,  
6 not to exceed the county tax assessor-collector's usual and  
7 customary charges for the collection of similar taxes.

8 (b) If determined by the commission to be appropriate, the  
9 commission may contract for the assessment and collection of taxes  
10 in the manner provided by Title 1, Tax Code, for the assessment and  
11 collection of ad valorem taxes.

12 (c) Revenue from a fee charged by a county tax  
13 assessor-collector for collecting the tax shall be deposited in the  
14 county general fund and, if appropriate, shall be reported as fees  
15 of the county tax assessor-collector.

16 Sec. 288.203. USE OF TAX REVENUE. Revenue generated by a  
17 district from a tax imposed under this subchapter may be used only  
18 to:

19 (1) provide the nonfederal share of a Medicaid  
20 supplemental payment program;

21 (2) subsidize indigent health care services; and

22 (3) pay administrative expenses of the district.

23 Sec. 288.204. INTEREST, PENALTIES, AND DISCOUNTS.  
24 Interest, penalties, and discounts on taxes imposed under this  
25 subchapter are governed by the law applicable to county ad valorem  
26 taxes.

1 CHAPTER 289. COUNTY HEALTH CARE FUNDING DISTRICTS IN CERTAIN  
2 COUNTIES LOCATED ADJACENT TO COUNTY WITH POPULATION OF  
3 3.3 MILLION OR MORE

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 289.001. DEFINITIONS. In this chapter:

6 (1) "Commission" means the commission of a district  
7 created under this chapter.

8 (2) "District" means a county health care funding  
9 district created by this chapter.

10 (3) "District taxpayer" means a person or entity  
11 subject to a tax imposed under this chapter.

12 (4) "Institutional health care provider" means a  
13 nonpublic general hospital licensed under Chapter 241.

14 Sec. 289.002. CREATION OF DISTRICT. A district is created  
15 in each county:

16 (1) that has a population of 275,000 or more and is  
17 located adjacent to a county with a population of 3.3 million or  
18 more; and

19 (2) in which no municipality with a population of  
20 60,000 or more is located.

21 Sec. 289.003. DURATION OF DISTRICT. (a) Unless continued  
22 in existence by the legislature, a district created by this chapter  
23 is abolished September 1, 2007.

24 (b) Any money held by a district at the time the district is  
25 abolished shall be used to pay any outstanding administrative  
26 expenses of the district, and the commission shall direct the  
27 secretary of the commission to return the pro rata share of any

1 remaining district money to each district taxpayer.

2 Sec. 289.004. POLITICAL SUBDIVISION. A district created by  
3 this chapter is a political subdivision of this state.

4 Sec. 289.005. DISTRICT TERRITORY. The boundaries of each  
5 district are coextensive with the boundaries of the county in which  
6 the district is created.

7 [Sections 289.006-289.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 289.051. COMMISSION; APPOINTMENT. (a) Each district  
10 is governed by a commission of five members appointed as provided by  
11 this section.

12 (b) Each county commissioner on the commissioners court of  
13 the county in which the district is located shall appoint one member  
14 who meets the qualifications prescribed by Section 289.052 to serve  
15 on the commission. The county judge of the county shall appoint one  
16 member who meets the qualifications prescribed by Section 289.052  
17 to serve on the commission.

18 Sec. 289.052. QUALIFICATION OF MEMBERS OF COMMISSION. To  
19 be eligible to serve as a member of the commission, a person must:

20 (1) be a United States citizen;

21 (2) be 18 years of age or older on the first day of the  
22 term that the person is appointed to fill;

23 (3) have not been determined mentally incompetent by a  
24 final judgment of a court;

25 (4) have not been finally convicted of a felony from  
26 which the person has not been pardoned or otherwise released from  
27 the resulting disabilities;

1           (5) have resided continuously in this state for 12  
2 months and in the county in which the district is located for six  
3 months immediately preceding the date of the appointment; and

4           (6) be a person knowledgeable in the field of health  
5 care.

6           Sec. 289.053. TERM OF MEMBERS OF COMMISSION. The members of  
7 the commission serve staggered two-year terms.

8           Sec. 289.054. VACANCY. (a) If a vacancy occurs on the  
9 commission, the commissioners court of the county in which the  
10 district is located shall appoint a qualified person to fill the  
11 vacancy not later than the 30th day after the date the vacancy  
12 occurs.

13           (b) If the commissioners court of the county in which the  
14 district is located does not appoint a member to the commission to  
15 fill a vacancy by the 30th day after the date the vacancy occurs,  
16 the remaining members of the commission may, by vote of the  
17 commission, appoint a replacement.

18           Sec. 289.055. OFFICERS. (a) Each commission shall elect a  
19 chairperson and a secretary from among its members.

20           (b) The chairperson and secretary shall each serve in that  
21 office until the expiration of their term as a member of the  
22 commission.

23           Sec. 289.056. COMPENSATION; EXPENSES. A member of the  
24 commission serves without compensation but may, on the approval of  
25 the entire commission, be reimbursed for actual expenses incurred  
26 in the performance of the member's official duties.

27           Sec. 289.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. The

1 commission may employ an attorney, financial advisor, and  
2 bookkeeper for the district or contract for those services.

3 Sec. 289.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
4 Except as otherwise provided by law, all district records,  
5 including books, accounts, notices, minutes, and all other matters  
6 of the district and the operation of its facilities, shall be:

- 7 (1) maintained at the district office; and  
8 (2) open to public inspection at the district office  
9 during reasonable hours.

10 [Sections 289.059-289.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 289.101. LIMITATION ON TAXING AUTHORITY. Each  
13 district may impose taxes only in the manner provided by this  
14 chapter.

15 Sec. 289.102. MAJORITY VOTE REQUIRED. (a) A district may  
16 not impose any tax authorized by this chapter, spend any money,  
17 including for the administrative expenses of the district, or  
18 conduct any other business of the commission without an affirmative  
19 vote of a majority of the members of the commission.

20 (b) Before imposing a tax under this chapter in any one  
21 year, the commission must obtain the affirmative vote required by  
22 Subsection (a).

23 Sec. 289.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES.

24 (a) In addition to the majority vote required under Section  
25 289.102, a district may not spend any money of the district unless  
26 the district receives the approval of at least 95 percent of the  
27 district taxpayers.

1       (b) This section does not apply to expenditures related to  
2 the administrative matters of the district.

3       Sec. 289.104. RULES AND PROCEDURES. (a) The commission may  
4 adopt rules governing the operation of the district, including  
5 rules relating to the administration of a tax authorized by this  
6 chapter.

7       (b) In order to implement the requirements of Sections  
8 289.102 and 289.103, the commission shall adopt any necessary  
9 procedures.

10       Sec. 289.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
11 The commission may prescribe the method and manner for making  
12 purchases and expenditures by the district.

13       (b) The commission shall prescribe:

14           (1) all accounting and control procedures; and

15           (2) the method of purchasing necessary supplies,  
16 materials, and equipment.

17       Sec. 289.106. INSTITUTIONAL HEALTH CARE PROVIDER  
18 REPORTING; INSPECTION OF RECORDS. (a) A district shall require an  
19 institutional health care provider to submit to the district a copy  
20 of any financial and utilization data required by and reported to  
21 the Department of State Health Services under Sections 311.032 and  
22 311.033 and any rules adopted by the department to implement those  
23 sections.

24       (b) A district may inspect the records of an institutional  
25 health care provider to the extent necessary to ensure that the  
26 provider has submitted all required data under this section.

27       Sec. 289.107. AUTHORITY TO SUE AND BE SUED. Each district

1 may sue and be sued in its own name in any court of this state as a  
2 governmental agency.

3 [Sections 289.108-289.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5 Sec. 289.151. BUDGET. (a) Each year, the commission shall  
6 prepare a budget for the following fiscal year that includes:

- 7 (1) proposed expenditures and disbursements;  
8 (2) estimated receipts and collections; and  
9 (3) the rates and amounts of any taxes that the  
10 commission intends to impose during the year.

11 (b) The commission shall hold a public hearing on the  
12 proposed budget. Not later than the 10th day before the date of the  
13 hearing, the commission shall publish at least once notice of the  
14 hearing in a newspaper of general circulation in the county in which  
15 the district is located.

16 (c) Any district taxpayer is entitled to appear at the time  
17 and place designated in the public notice and to be heard regarding  
18 any item shown in the proposed budget.

19 Sec. 289.152. FISCAL YEAR. Each district's fiscal year  
20 begins on September 1 and ends on August 31 of each year.

21 Sec. 289.153. ANNUAL AUDIT. (a) For each fiscal year, each  
22 commission shall have an independent audit made of the district's  
23 books and records.

24 (b) Not later than December 31 of each year, the audit made  
25 for a district shall be filed with the comptroller and at the office  
26 of the district.

27 Sec. 289.154. DEPOSITORY. (a) Each commission by

1 resolution shall designate one or more banks located in the  
2 district as the depository for the district. A bank designated as  
3 depository serves for two years or until a successor is designated.

4 (b) All income received by a district, including tax revenue  
5 after deducting discounts and fees for assessing and collecting the  
6 taxes, shall be deposited with the district depository and may be  
7 withdrawn only as provided by this chapter.

8 (c) All district funds shall be secured in the manner  
9 provided for securing county funds.

10 [Sections 289.155-289.200 reserved for expansion]

11 SUBCHAPTER E. TAXES

12 Sec. 289.201. TAX ON EMERGENCY ROOM SERVICES. (a) The  
13 commission of a district may impose an annual tax on all emergency  
14 room visits to an institutional health care provider located in the  
15 district. In the first year in which the tax is imposed, the tax is  
16 assessed on the total number of emergency room visits of an  
17 institutional health care provider reported to the Department of  
18 State Health Services under Sections 311.032 and 311.033 in the  
19 most recent fiscal year for which information is available. The  
20 district shall update this tax basis with the number of emergency  
21 room visits reported on a biennial basis.

22 (b) A tax imposed under this section must be imposed  
23 uniformly on each institutional health care provider of emergency  
24 room services located in the district. A tax imposed under this  
25 section also may not hold harmless any institutional health care  
26 provider of emergency room services, as required under 42 U.S.C.  
27 Section 1396b(w).

1       (c) The commission shall set the rate of the tax imposed  
2 under this section. The rate may not exceed \$150 for each emergency  
3 room visit.

4       (d) Subject to the maximum tax rate prescribed by Subsection  
5 (c), the commission shall set the rate of the tax at a rate that will  
6 generate sufficient revenue to cover the administrative expenses of  
7 the district, to fund the nonfederal share of a Medicaid  
8 supplemental payment program, and to pay for indigent health care  
9 services, except that the amount of tax revenue used for  
10 administrative expenses of the district in a year may not exceed the  
11 lesser of four percent of the total revenue generated from the tax  
12 or \$20,000.

13       (e) An institutional health care provider may not add a tax  
14 imposed under this section as a surcharge to a patient.

15       (f) An institutional health care provider that is a hospital  
16 that primarily treats patients with mental illness is exempt from a  
17 tax imposed by this section.

18       Sec. 289.202. ASSESSMENT AND COLLECTION OF TAXES. (a)  
19 Except as provided by Subsection (b), the county tax  
20 assessor-collector shall collect a tax imposed under this  
21 subchapter unless the commission employs a tax assessor and  
22 collector for the district. The county tax assessor-collector  
23 shall charge and deduct from taxes collected for the district a fee  
24 for collecting the tax in an amount determined by the commission,  
25 not to exceed the county tax assessor-collector's usual and  
26 customary charges for the collection of similar taxes.

27       (b) If determined by the commission to be appropriate, the

1 commission may contract for the assessment and collection of taxes  
2 in the manner provided by Title 1, Tax Code, for the assessment and  
3 collection of ad valorem taxes.

4 (c) Revenue from a fee charged by a county tax  
5 assessor-collector for collecting the tax shall be deposited in the  
6 county general fund and, if appropriate, shall be reported as fees  
7 of the county tax assessor-collector.

8 Sec. 289.203. USE OF TAX REVENUE. Revenue generated by a  
9 district from a tax imposed under this subchapter may be used only  
10 to:

11 (1) provide the nonfederal share of a Medicaid  
12 supplemental payment program;

13 (2) subsidize indigent health care services; and

14 (3) pay administrative expenses of the district.

15 Sec. 289.204. INTEREST, PENALTIES, AND DISCOUNTS.  
16 Interest, penalties, and discounts on taxes imposed under this  
17 subchapter are governed by the law applicable to county ad valorem  
18 taxes.

19 CHAPTER 290. COUNTY HEALTH CARE FUNDING DISTRICTS IN CERTAIN  
20 COUNTIES LOCATED ON TEXAS-MEXICO BORDER THAT HAVE POPULATION OF  
21 LESS THAN 200,000

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 290.001. DEFINITIONS. In this chapter:

24 (1) "Commission" means the commission of a district  
25 created under this chapter.

26 (2) "District" means a county health care funding  
27 district created by this chapter.

1           (3) "District taxpayer" means a person or entity  
2 subject to a tax imposed under this chapter.

3           (4) "Institutional health care provider" means a  
4 nonpublic general hospital licensed under Chapter 241.

5           Sec. 290.002. CREATION OF DISTRICT. A district is created  
6 in each county located on the Texas-Mexico border that has a  
7 population of less than 200,000 and contains one or more  
8 municipalities with a population of 100,000 or more.

9           Sec. 290.003. DURATION OF DISTRICT. (a) Unless continued  
10 in existence by the legislature, a district created by this chapter  
11 is abolished September 1, 2007.

12           (b) Any money held by a district at the time the district is  
13 abolished shall be used to pay any outstanding administrative  
14 expenses of the district, and the commission shall direct the  
15 secretary of the commission to return the pro rata share of any  
16 remaining district money to each district taxpayer.

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19           Sec. 290.005. DISTRICT TERRITORY. The boundaries of each  
20 district are coextensive with the boundaries of the county in which  
21 the district is created.

22           [Sections 290.006-290.050 reserved for expansion]

23           SUBCHAPTER B. DISTRICT ADMINISTRATION

24           Sec. 290.051. COMMISSION; APPOINTMENT. (a) Each district  
25 is governed by a commission of five members appointed as provided by  
26 this section.

27           (b) Each county commissioner on the commissioners court of

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3 on the commission. The county judge of the county shall appoint one  
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6 Sec. 290.052. QUALIFICATION OF MEMBERS OF COMMISSION. To  
7 be eligible to serve as a member of the commission, a person must:

8 (1) be a United States citizen;

9 (2) be 18 years of age or older on the first day of the  
10 term that the person is appointed to fill;

11 (3) have not been determined mentally incompetent by a  
12 final judgment of a court;

13 (4) have not been finally convicted of a felony from  
14 which the person has not been pardoned or otherwise released from  
15 the resulting disabilities;

16 (5) have resided continuously in this state for 12  
17 months and in the county in which the district is located for six  
18 months immediately preceding the date of the appointment; and

19 (6) be a person knowledgeable in the field of health  
20 care.

21 Sec. 290.053. TERM OF MEMBERS OF COMMISSION. The members of  
22 the commission serve staggered two-year terms.

23 Sec. 290.054. VACANCY. (a) If a vacancy occurs on the  
24 commission, the commissioners court of the county in which the  
25 district is located shall appoint a qualified person to fill the  
26 vacancy not later than the 30th day after the date the vacancy  
27 occurs.

1       (b) If the commissioners court of the county in which the  
2 district is located does not appoint a member to the commission to  
3 fill a vacancy by the 30th day after the date the vacancy occurs,  
4 the remaining members of the commission may, by vote of the  
5 commission, appoint a replacement.

6       Sec. 290.055. OFFICERS. (a) Each commission shall elect a  
7 chairperson and a secretary from among its members.

8       (b) The chairperson and secretary shall each serve in that  
9 office until the expiration of their term as a member of the  
10 commission.

11       Sec. 290.056. COMPENSATION; EXPENSES. A member of the  
12 commission serves without compensation but may, on the approval of  
13 the entire commission, be reimbursed for actual expenses incurred  
14 in the performance of the member's official duties.

15       Sec. 290.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. The  
16 commission may employ an attorney, financial advisor, and  
17 bookkeeper for the district or contract for those services.

18       Sec. 290.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
19 Except as otherwise provided by law, all district records,  
20 including books, accounts, notices, minutes, and all other matters  
21 of the district and the operation of its facilities, shall be:

22             (1) maintained at the district office; and

23             (2) open to public inspection at the district office  
24 during reasonable hours.

25       [Sections 290.059-290.100 reserved for expansion]

26             SUBCHAPTER C. POWERS AND DUTIES

27       Sec. 290.101. LIMITATION ON TAXING AUTHORITY. Each

1 district may impose taxes only in the manner provided by this  
2 chapter.

3 Sec. 290.102. MAJORITY VOTE REQUIRED. (a) A district may  
4 not impose any tax authorized by this chapter, spend any money,  
5 including for the administrative expenses of the district, or  
6 conduct any other business of the commission without an affirmative  
7 vote of a majority of the members of the commission.

8 (b) Before imposing a tax under this chapter in any one  
9 year, the commission must obtain the affirmative vote required by  
10 Subsection (a).

11 Sec. 290.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES.

12 (a) In addition to the majority vote required under Section  
13 290.102, a district may not spend any money of the district unless  
14 the district receives the approval of at least 95 percent of the  
15 district taxpayers.

16 (b) This section does not apply to expenditures related to  
17 the administrative matters of the district.

18 Sec. 290.104. RULES AND PROCEDURES. (a) The commission may  
19 adopt rules governing the operation of the district, including  
20 rules relating to the administration of a tax authorized by this  
21 chapter.

22 (b) In order to implement the requirements of Sections  
23 290.102 and 290.103, the commission shall adopt any necessary  
24 procedures.

25 Sec. 290.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
26 The commission may prescribe the method and manner for making  
27 purchases and expenditures by the district.

1           (b) The commission shall prescribe:

2                   (1) all accounting and control procedures; and

3                   (2) the method of purchasing necessary supplies,  
4 materials, and equipment.

5           Sec. 290.106. INSTITUTIONAL HEALTH CARE PROVIDER  
6 REPORTING; INSPECTION OF RECORDS. (a) A district shall require an  
7 institutional health care provider to submit to the district a copy  
8 of any financial and utilization data required by and reported to  
9 the Department of State Health Services under Sections 311.032 and  
10 311.033 and any rules adopted by the department to implement those  
11 sections.

12           (b) A district may inspect the records of an institutional  
13 health care provider to the extent necessary to ensure that the  
14 provider has submitted all required data under this section.

15           Sec. 290.107. AUTHORITY TO SUE AND BE SUED. Each district  
16 may sue and be sued in its own name in any court of this state as a  
17 governmental agency.

18           [Sections 290.108-290.150 reserved for expansion]

19           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20           Sec. 290.151. BUDGET. (a) Each year, the commission shall  
21 prepare a budget for the following fiscal year that includes:

22                   (1) proposed expenditures and disbursements;

23                   (2) estimated receipts and collections; and

24                   (3) the rates and amounts of any taxes that the  
25 commission intends to impose during the year.

26           (b) The commission shall hold a public hearing on the  
27 proposed budget. Not later than the 10th day before the date of the

1 hearing, the commission shall publish at least once notice of the  
2 hearing in a newspaper of general circulation in the county in which  
3 the district is located.

4 (c) Any district taxpayer is entitled to appear at the time  
5 and place designated in the public notice and to be heard regarding  
6 any item shown in the proposed budget.

7 Sec. 290.152. FISCAL YEAR. Each district's fiscal year  
8 begins on September 1 and ends on August 31 of each year.

9 Sec. 290.153. ANNUAL AUDIT. (a) For each fiscal year, each  
10 commission shall have an independent audit made of the district's  
11 books and records.

12 (b) Not later than December 31 of each year, the audit made  
13 for a district shall be filed with the comptroller and at the office  
14 of the district.

15 Sec. 290.154. DEPOSITORY. (a) Each commission by  
16 resolution shall designate one or more banks located in the  
17 district as the depository for the district. A bank designated as  
18 depository serves for two years or until a successor is designated.

19 (b) All income received by a district, including tax revenue  
20 after deducting discounts and fees for assessing and collecting the  
21 taxes, shall be deposited with the district depository and may be  
22 withdrawn only as provided by this chapter.

23 (c) All district funds shall be secured in the manner  
24 provided for securing county funds.

25 [Sections 290.155-290.200 reserved for expansion]

26 SUBCHAPTER E. TAXES

27 Sec. 290.201. TAX ON OUTPATIENT SERVICES. (a) The

1 commission of a district may impose an annual tax on all outpatient  
2 hospital visits to an institutional health care provider located in  
3 the district. In the first year in which the tax is imposed, the tax  
4 is assessed on the total number of outpatient hospital visits of an  
5 institutional health care provider reported to the Department of  
6 State Health Services under Sections 311.032 and 311.033 in the  
7 most recent fiscal year for which information is available. The  
8 district shall update this tax basis with the number of outpatient  
9 hospital visits reported on a biennial basis.

10 (b) A tax imposed under this section must be imposed  
11 uniformly on each institutional health care provider of outpatient  
12 hospital services located in the district. A tax imposed under this  
13 section also may not hold harmless any institutional health care  
14 provider of outpatient hospital services, as required under 42  
15 U.S.C. Section 1396b(w).

16 (c) The commission shall set the rate of the tax imposed  
17 under this section. The rate may not exceed \$100 for each  
18 outpatient hospital visit.

19 (d) Subject to the maximum tax rate prescribed by Subsection  
20 (c), the commission shall set the rate of the tax at a rate that will  
21 generate sufficient revenue to cover the administrative expenses of  
22 the district, to fund the nonfederal share of a Medicaid  
23 supplemental payment program, and to pay for indigent health care  
24 services, except that the amount of tax revenue used for  
25 administrative expenses of the district in a year may not exceed the  
26 lesser of four percent of the total revenue generated from the tax  
27 or \$20,000.

1       (e) An institutional health care provider may not add a tax  
2 imposed under this section as a surcharge to a patient.

3       (f) An institutional health care provider that is a hospital  
4 that primarily treats patients with mental illness is exempt from a  
5 tax imposed by this section.

6       Sec. 290.202. ASSESSMENT AND COLLECTION OF TAXES. (a)  
7 Except as provided by Subsection (b), the county tax  
8 assessor-collector shall collect a tax imposed under this  
9 subchapter unless the commission employs a tax assessor and  
10 collector for the district. The county tax assessor-collector  
11 shall charge and deduct from taxes collected for the district a fee  
12 for collecting the tax in an amount determined by the commission,  
13 not to exceed the county tax assessor-collector's usual and  
14 customary charges for the collection of similar taxes.

15       (b) If determined by the commission to be appropriate, the  
16 commission may contract for the assessment and collection of taxes  
17 in the manner provided by Title 1, Tax Code, for the assessment and  
18 collection of ad valorem taxes.

19       (c) Revenue from a fee charged by a county tax  
20 assessor-collector for collecting the tax shall be deposited in the  
21 county general fund and, if appropriate, shall be reported as fees  
22 of the county tax assessor-collector.

23       Sec. 290.203. USE OF TAX REVENUE. Revenue generated by a  
24 district from a tax imposed under this subchapter may be used only  
25 to:

26               (1) provide the nonfederal share of a Medicaid  
27 supplemental payment program;

1           (2) subsidize indigent health care services; and

2           (3) pay administrative expenses of the district.

3           Sec. 290.204. INTEREST, PENALTIES, AND DISCOUNTS.

4 Interest, penalties, and discounts on taxes imposed under this  
5 subchapter are governed by the law applicable to county ad valorem  
6 taxes.

7           CHAPTER 291. COUNTY HEALTH CARE FUNDING DISTRICTS IN CERTAIN

8                   COUNTIES WITH POPULATION OF 1.4 MILLION OR LESS

9                           SUBCHAPTER A. GENERAL PROVISIONS

10           Sec. 291.001. DEFINITIONS. In this chapter:

11                   (1) "Commission" means the commission of a district  
12 created under this chapter.

13                   (2) "District" means a county health care funding  
14 district created by this chapter.

15                   (3) "District taxpayer" means a person or entity  
16 subject to a tax imposed under this chapter.

17                   (4) "Institutional health care provider" means a  
18 nonpublic general hospital licensed under Chapter 241.

19           Sec. 291.002. CREATION OF DISTRICT. A district is created  
20 in each county that has a population of 1.4 million or less and in  
21 which a municipality with a population of 1.1 million or more is  
22 predominantly located.

23           Sec. 291.003. DURATION OF DISTRICT. (a) Unless continued  
24 in existence by the legislature, a district created by this chapter  
25 is abolished September 1, 2007.

26                   (b) Any money held by a district at the time the district is  
27 abolished shall be used to pay any outstanding administrative

1 expenses of the district, and the commission shall direct the  
2 secretary of the commission to return the pro rata share of any  
3 remaining district money to each district taxpayer.

4 Sec. 291.004. POLITICAL SUBDIVISION. A district created by  
5 this chapter is a political subdivision of this state.

6 Sec. 291.005. DISTRICT TERRITORY. The boundaries of each  
7 district are coextensive with the boundaries of the county in which  
8 the district is created.

9 [Sections 291.006-291.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT ADMINISTRATION

11 Sec. 291.051. COMMISSION; APPOINTMENT. (a) Each district  
12 is governed by a commission of five members appointed as provided by  
13 this section.

14 (b) Each county commissioner on the commissioners court of  
15 the county in which the district is located shall appoint one member  
16 who meets the qualifications prescribed by Section 291.052 to serve  
17 on the commission. The county judge of the county shall appoint one  
18 member who meets the qualifications prescribed by Section 291.052  
19 to serve on the commission.

20 Sec. 291.052. QUALIFICATION OF MEMBERS OF COMMISSION. To  
21 be eligible to serve as a member of the commission, a person must:

- 22 (1) be a United States citizen;  
23 (2) be 18 years of age or older on the first day of the  
24 term that the person is appointed to fill;  
25 (3) have not been determined mentally incompetent by a  
26 final judgment of a court;  
27 (4) have not been finally convicted of a felony from

1 which the person has not been pardoned or otherwise released from  
2 the resulting disabilities;

3 (5) have resided continuously in this state for 12  
4 months and in the county in which the district is located for six  
5 months immediately preceding the date of the appointment; and

6 (6) be a person knowledgeable in the field of health  
7 care.

8 Sec. 291.053. TERM OF MEMBERS OF COMMISSION. The members of  
9 the commission serve staggered two-year terms.

10 Sec. 291.054. VACANCY. (a) If a vacancy occurs on the  
11 commission, the commissioners court of the county in which the  
12 district is located shall appoint a qualified person to fill the  
13 vacancy not later than the 30th day after the date the vacancy  
14 occurs.

15 (b) If the commissioners court of the county in which the  
16 district is located does not appoint a member to the commission to  
17 fill a vacancy by the 30th day after the date the vacancy occurs,  
18 the remaining members of the commission may, by vote of the  
19 commission, appoint a replacement.

20 Sec. 291.055. OFFICERS. (a) Each commission shall elect a  
21 chairperson and a secretary from among its members.

22 (b) The chairperson and secretary shall each serve in that  
23 office until the expiration of their term as a member of the  
24 commission.

25 Sec. 291.056. COMPENSATION; EXPENSES. A member of the  
26 commission serves without compensation but may, on the approval of  
27 the entire commission, be reimbursed for actual expenses incurred

1 in the performance of the member's official duties.

2 Sec. 291.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. The  
3 commission may employ an attorney, financial advisor, and  
4 bookkeeper for the district or contract for those services.

5 Sec. 291.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
6 Except as otherwise provided by law, all district records,  
7 including books, accounts, notices, minutes, and all other matters  
8 of the district and the operation of its facilities, shall be:

9 (1) maintained at the district office; and

10 (2) open to public inspection at the district office  
11 during reasonable hours.

12 [Sections 291.059-291.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 291.101. LIMITATION ON TAXING AUTHORITY. Each  
15 district may impose taxes only in the manner provided by this  
16 chapter.

17 Sec. 291.102. MAJORITY VOTE REQUIRED. (a) A district may  
18 not impose any tax authorized by this chapter, spend any money,  
19 including for the administrative expenses of the district, or  
20 conduct any other business of the commission without an affirmative  
21 vote of a majority of the members of the commission.

22 (b) Before imposing a tax under this chapter in any one  
23 year, the commission must obtain the affirmative vote required by  
24 Subsection (a).

25 Sec. 291.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES.

26 (a) In addition to the majority vote required under Section  
27 291.102, a district may not spend any money of the district unless

1 the district receives the approval of at least 95 percent of the  
2 district taxpayers.

3 (b) This section does not apply to expenditures related to  
4 the administrative matters of the district.

5 Sec. 291.104. RULES AND PROCEDURES. (a) The commission may  
6 adopt rules governing the operation of the district, including  
7 rules relating to the administration of a tax authorized by this  
8 chapter.

9 (b) In order to implement the requirements of Sections  
10 291.102 and 291.103, the commission shall adopt any necessary  
11 procedures.

12 Sec. 291.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
13 The commission may prescribe the method and manner for making  
14 purchases and expenditures by the district.

15 (b) The commission shall prescribe:

16 (1) all accounting and control procedures; and

17 (2) the method of purchasing necessary supplies,  
18 materials, and equipment.

19 Sec. 291.106. INSTITUTIONAL HEALTH CARE PROVIDER  
20 REPORTING; INSPECTION OF RECORDS. (a) A district shall require an  
21 institutional health care provider to submit to the district a copy  
22 of any financial and utilization data required by and reported to  
23 the Department of State Health Services under Sections 311.032 and  
24 311.033 and any rules adopted by the department to implement those  
25 sections.

26 (b) A district may inspect the records of an institutional  
27 health care provider to the extent necessary to ensure that the

1 provider has submitted all required data under this section.

2 Sec. 291.107. AUTHORITY TO SUE AND BE SUED. Each district  
3 may sue and be sued in its own name in any court of this state as a  
4 governmental agency.

5 [Sections 291.108-291.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 291.151. BUDGET. (a) Each year, the commission shall  
8 prepare a budget for the following fiscal year that includes:

9 (1) proposed expenditures and disbursements;

10 (2) estimated receipts and collections; and

11 (3) the rates and amounts of any taxes that the  
12 commission intends to impose during the year.

13 (b) The commission shall hold a public hearing on the  
14 proposed budget. Not later than the 10th day before the date of the  
15 hearing, the commission shall publish at least once notice of the  
16 hearing in a newspaper of general circulation in the county in which  
17 the district is located.

18 (c) Any district taxpayer is entitled to appear at the time  
19 and place designated in the public notice and to be heard regarding  
20 any item shown in the proposed budget.

21 Sec. 291.152. FISCAL YEAR. Each district's fiscal year  
22 begins on September 1 and ends on August 31 of each year.

23 Sec. 291.153. ANNUAL AUDIT. (a) For each fiscal year, each  
24 commission shall have an independent audit made of the district's  
25 books and records.

26 (b) Not later than December 31 of each year, the audit made  
27 for a district shall be filed with the comptroller and at the office

1 of the district.

2 Sec. 291.154. DEPOSITORY. (a) Each commission by  
3 resolution shall designate one or more banks located in the  
4 district as the depository for the district. A bank designated as  
5 depository serves for two years or until a successor is designated.

6 (b) All income received by a district, including tax revenue  
7 after deducting discounts and fees for assessing and collecting the  
8 taxes, shall be deposited with the district depository and may be  
9 withdrawn only as provided by this chapter.

10 (c) All district funds shall be secured in the manner  
11 provided for securing county funds.

12 [Sections 291.155-291.200 reserved for expansion]

13 SUBCHAPTER E. TAXES

14 Sec. 291.201. TAX ON EMERGENCY ROOM SERVICES. (a) The  
15 commission of a district may impose an annual tax on all emergency  
16 room visits to an institutional health care provider located in the  
17 district. In the first year in which the tax is imposed, the tax is  
18 assessed on the total number of emergency room visits of an  
19 institutional health care provider reported to the Department of  
20 State Health Services under Sections 311.032 and 311.033 in the  
21 most recent fiscal year for which information is available. The  
22 district shall update this tax basis with the number of emergency  
23 room visits reported on a biennial basis.

24 (b) A tax imposed under this section must be imposed  
25 uniformly on each institutional health care provider of emergency  
26 room services located in the district. A tax imposed under this  
27 section also may not hold harmless any institutional health care

1 provider of emergency room services, as required under 42 U.S.C.  
2 Section 1396b(w).

3 (c) The commission shall set the rate of the tax imposed  
4 under this section. The rate may not exceed \$100 for each emergency  
5 room visit.

6 (d) Subject to the maximum tax rate prescribed by Subsection  
7 (c), the commission shall set the rate of the tax at a rate that will  
8 generate sufficient revenue to cover the administrative expenses of  
9 the district, to fund the nonfederal share of a Medicaid  
10 supplemental payment program, and to pay for indigent health care  
11 services, except that the amount of tax revenue used for  
12 administrative expenses of the district in a year may not exceed the  
13 lesser of four percent of the total revenue generated from the tax  
14 or \$20,000.

15 (e) An institutional health care provider may not add a tax  
16 imposed under this section as a surcharge to a patient.

17 (f) An institutional health care provider that is a hospital  
18 that primarily treats patients with mental illness is exempted from  
19 a tax imposed by this section.

20 Sec. 291.202. ASSESSMENT AND COLLECTION OF TAXES. (a)  
21 Except as provided by Subsection (b), the county tax  
22 assessor-collector shall collect any tax imposed under this  
23 subchapter unless the commission employs a tax assessor and  
24 collector for the district. The county tax assessor-collector  
25 shall charge and deduct from taxes collected for the district a fee  
26 for collecting the tax in an amount determined by the commission,  
27 not to exceed the county tax assessor-collector's usual and

1 customary charges for the collection of similar taxes.

2 (b) If determined by the commission to be appropriate, the  
3 commission may contract for the assessment and collection of taxes  
4 in the manner provided by Title 1, Tax Code, for the assessment and  
5 collection of ad valorem taxes.

6 (c) Revenue from a fee charged by a county tax  
7 assessor-collector for collecting the tax shall be deposited in the  
8 county general fund and, if appropriate, shall be reported as fees  
9 of the county tax assessor-collector.

10 Sec. 291.203. USE OF TAX REVENUE. Revenue generated by a  
11 district from a tax imposed under this subchapter may be used only  
12 to:

13 (1) provide the nonfederal share of a Medicaid  
14 supplemental payment program;

15 (2) subsidize indigent health care services; and

16 (3) pay administrative expenses of the district.

17 Sec. 291.204. INTEREST, PENALTIES, AND DISCOUNTS.  
18 Interest, penalties, and discounts on taxes imposed under this  
19 subchapter are governed by the law applicable to county ad valorem  
20 taxes.

21 SECTION 2. (a) Not later than October 1, 2005:

22 (1) the commissioners court of each county to which  
23 Chapter 288, Health and Safety Code, as added by this Act, applies  
24 shall each appoint the initial members of a commission in  
25 accordance with Section 288.051, Health and Safety Code, as added  
26 by this Act, for a county health care funding district created by  
27 Chapter 288, Health and Safety Code, as added by this Act, in that

1 county;

2 (2) the commissioners court of each county to which  
3 Chapter 289, Health and Safety Code, as added by this Act, applies  
4 shall each appoint the initial members of a commission in  
5 accordance with Section 289.051, Health and Safety Code, as added  
6 by this Act, for a county health care funding district created by  
7 Chapter 289, Health and Safety Code, as added by this Act, in that  
8 county;

9 (3) the commissioners court of each county to which  
10 Chapter 290, Health and Safety Code, as added by this Act, applies  
11 shall each appoint the initial members of a commission in  
12 accordance with Section 290.051, Health and Safety Code, as added  
13 by this Act, for a county health care funding district created by  
14 Chapter 290, Health and Safety Code, as added by this Act, in that  
15 county; and

16 (4) the commissioners court of each county to which  
17 Chapter 291, Health and Safety Code, as added by this Act, applies  
18 shall each appoint the initial members of a commission in  
19 accordance with Section 291.051, Health and Safety Code, as added  
20 by this Act, for a county health care funding district created by  
21 Chapter 291, Health and Safety Code, as added by this Act, in that  
22 county.

23 (b) For each county health care funding district created by  
24 Chapters 288-291, Health and Safety Code, as added by this Act, the  
25 initial commission members appointed under Subsection (a) of this  
26 section shall draw lots to determine which two commission members  
27 shall serve one-year terms and which three commission members shall

1 serve two-year terms.

2 SECTION 3. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2005.