

By: Villarreal

H.B. No. 2463

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation of new taxing districts in Hidalgo County,
3 Montgomery County, Webb County, and Bexar County to levy taxes on
4 hospitals located in Hidalgo County, Montgomery County, Webb
5 County, and Bexar County for programs that provide healthcare
6 services.

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

8 SECTION 1. Title 3 of the Special Districts Code is amended
9 by adding a new chapter 1101 to read as follows:

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1101.001. DEFINITIONS. In this chapter:

12 (1) "Annual Survey" means the TDH/AHA/THA Annual
13 Survey of Hospitals, as amended, filed annually with the Department
14 of State Health Services.

15 (2) "Commission" means the commission of the District.

16 (3) "Commissioner" means a member of the Commission.

17 (4) "District" means the Hidalgo Healthcare Funding
18 District.

19 (5) "Institutional Health Care Provider" means all
20 nonpublic general acute care hospitals in Hildago County licensed
21 under chapter 241 of the Health and Safety Code, as amended.

22 (6) "District Taxpayer" means any persons or entities
23 that paid taxes during the District's fiscal year.

24 Sec. 1101.002. AUTHORITY FOR OPERATION. The District shall

1 levy taxes to generate additional healthcare funding for
2 institutional health care providers within Hidalgo County. The
3 district operates under the authority of the Legislature's
4 authority to create special districts pursuant to Section 1,
5 Article III, of the Texas Constitution.

6 Sec. 1101.003. DURATION OF THE DISTRICT. The District
7 shall cease to exist on September 1, 2007 unless otherwise provided
8 by amendment to this chapter by the Legislature.

9 Sec. 1101.004. POLITICAL SUBDIVISION. The District is a
10 political subdivision of this state.

11 Sec. 1101.005. DISTRICT TERRITORY. The District is
12 composed of the territory whose boundaries are the same as those of
13 Hidalgo County.

14 Sec. 1101.006. CORRECTION OF INVALID PROCEDURE. If a court
15 holds that any procedure under this chapter violates the
16 constitution of this state or of the United States, the District by
17 resolution may provide an alternative procedure that conforms with
18 the constitution.

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1101.050. COMMISSION. The District is governed by a
21 Commission appointed by the Hidalgo County Commissioners Court.

22 Sec. 1101.051. QUALIFICATION OF COMMISSIONERS. To be
23 eligible to be a Commissioner, a person must:

24 (1) be a United States citizen;

25 (2) be 18 years of age or older on the first day of the
26 term to be filled at the election or on the date of appointment, as
27 applicable;

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

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

6 (5) have resided continuously in the state for 12
7 months and in Hidalgo County for six months immediately preceding
8 the date of the appointment or election, as applicable; and

9 (6) be a person knowledgeable in the health care
10 field.

11 Sec. 1101.052. TERM: APPOINTMENT OF COMMISSIONERS.
12 Commissioners serve terms of two years. Each County Commissioners
13 Court shall appoint one Commissioner, and the County Judge shall
14 appoint any remaining Commissioners, subject to the qualification
15 of Section 1101.51.

16 Sec. 1101.053. VACANCY. If a vacancy occurs on the
17 Commission, the Hidalgo County Commissioners Court shall appoint an
18 alternative Commissioner who meets the qualification criteria of
19 Section 1101.051. In the event the Hidalgo County Commissioners
20 Court fails to appoint a replacement Commissioner within one month
21 of the vacancy, the remaining Commissioners may appoint a
22 replacement.

23 Sec. 1101.054. OFFICERS. The Commissioner shall elect a
24 president and a secretary from among the Commissioners to serve
25 until the next Commissioners' election.

26 Sec. 1101.055. COMPENSATION; EXPENSES. A Commissioner
27 serves without compensation but may be reimbursed for actual

1 expenses incurred in the performance of official duties on the
2 approval of the expenses by the Commission.

3 Sec. 1101.056. EMPLOYEES/INDEPENDENT CONTRACTORS. The
4 Commission may employ an attorney, financial advisor, or bookkeeper
5 or contract for those services.

6 Sec. 1101.057. MAINTENANCE OF RECORDS: PUBLIC INSPECTION.
7 All district records, including books, accounts, notices, minutes,
8 and all other matters of the district and the operation of its
9 facilities, shall be:

- 10 (1) maintained at the District office: and
11 (2) open to public inspection at the District office
12 at all reasonable hours.

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 1101.100. DISTRICT RESPONSIBILITY. (a) The District
15 shall levy taxes solely as provided in this chapter.

16 (b) The District may not levy any taxes in any year without
17 the approval of a majority of the Commission.

18 Sec. 1101.101. MAJORITY REQUIRED. To act or spend funds to
19 cover administrative expenses, the District must have an
20 affirmative vote by a majority of the Commission, subject to the
21 limitations of subsection (b) of this section.

22 (b) To spend funds unrelated to covering administrative
23 cost, the District must have an affirmative vote by a majority of
24 the Commissioners and a supermajority affirmative vote of 95% of
25 the District Taxpayers.

26 Sec. 1101.102. RULES. The Commission may adopt rules
27 governing the operation of the District, including the taxing

1 mechanism that is written to comport with the requirements of this
2 chapter.

3 Sec. 1101.103. PURCHASING AND ACCOUNTING PROCEDURES. (a)
4 The Commission may prescribe the method and manner for making
5 purchases and expenditures by the District.

6 (b) The Commission shall prescribe:

7 (1) all accounting and control procedures; and

8 (2) the method of purchasing necessary supplies,
9 materials, and equipment.

10 Sec. 1101.104. INSTITUTIONAL HEALTHCARE PROVIDER
11 REPORTING; INSPECTION OF RECORDS. (a) The District shall require
12 all institutional health care providers to submit copies of their
13 annual surveys as amended and filed with the Department of State
14 Health Services.

15 (b) The District may inspect the records of an institutional
16 health care provider necessary to ensure that the provider reports
17 all data required under this chapter.

18 Sec. 1101.105. AUTHORITY TO SUE AND BE SUED. As a
19 governmental agency, the District may sue and be sued in its own
20 name in any court of this state.

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1101.150. BUDGET. (a) Each year, the Commission shall
23 prepare a budget showing for the following fiscal year:

24 (a) the proposed expenditures and disbursements;

25 (b) the estimated receipts and collections; and

26 (c) the amount of taxes required to be imposed during the
27 year.

1 (b) The Commission shall hold a public hearing on the
2 proposed budget. At least 10 days before the date of hearing, at
3 least one notice of the hearing shall be published in a newspaper of
4 general circulation in the county.

5 (c) Any District Taxpayer is entitled to appear at the time
6 and place designated in the notice and to be heard regarding any
7 item shown in the proposed budget.

8 Sec. 1101.151. FISCAL YEAR. The District's fiscal year
9 begins on September 1 and ends on August 31.

10 Sec. 1101.152. ANNUAL AUDIT. (a) For each fiscal year, the
11 Commission shall have an independent audit made of the District's
12 books and records.

13 (b) Not later than December 31 each year, the audit shall be
14 filed with the comptroller and at the District office.

15 Sec. 1101.153. DEPOSITORY. (a) The Commission by
16 resolution shall designate one or more banks in the District as the
17 District's depository or treasurer. A designated bank serves for
18 two years and until a successor is designated.

19 (b) All income received by the District, including tax
20 revenue after deducting discounts and fees for assessing and
21 collecting the taxes, shall be deposited with the District
22 depository and may be 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 SUBCHAPTER E. TAXES

26 Sec. 1101.200. TAXES ON INSTITUTIONAL HEALTH CARE
27 PROVIDERS. (a) The Commission may impose a tax on all

1 institutional health care providers. The tax shall be based on the
2 total number of emergency room visits reported by each
3 institutional health care provider on its 2002 hospital fiscal year
4 annual survey. The District shall update this tax basis with the
5 number of emergency room visits reported by each institutional
6 health care provider in the Annual Survey for hospital fiscal year
7 2006 and every four years thereafter. The tax shall not exceed
8 \$100.00 per emergency room visit.

9 (b) Any tax levied under subsection (a) must be imposed
10 broadly and uniformly for all institutional health care providers
11 and not hold harmless any institutional health care providers and
12 not hold harmless any institutional health care provider, as
13 required under 42 U.S.C. section 1396b(w), as amended.

14 (c) The Commission may set a rate for the tax under this
15 section that is sufficient to cover its administrative expenses and
16 to provide inpatient and outpatient healthcare services within the
17 District. Such administrative expenses shall not exceed the lesser
18 of 4% of the tax or \$20,000 per year.

19 (d) No tax imposed under subsection (a) shall be assessed as
20 a surcharge to any patient.

21 Sec. 1101.201. APPOINTMENT OF TAX ASSESSOR AND COLLECTOR.

22 (a) The county tax assessor and collector shall collect the tax
23 imposed under this subchapter unless the Commission appoints a tax
24 assessor and collector under Section 285.041 of the Health and
25 Safety Code.

26 (b) The county tax assessor and collector shall charge and
27 deduct from payments to the district a fee for imposing the tax in

1 an amount determined by the Commission not to exceed the lesser of
2 one percent of the amount collected or \$5,000 for fiscal year. The
3 fees for imposing the tax shall be deposited in the county's general
4 fund and shall be reported as fees of the tax assessor and
5 collector.

6 Sec. 1101.202. INTEREST, PENALTIES, AND DISCOUNTS.
7 Interest, penalties, and discounts on taxes paid to the District
8 shall be the same as for county taxes.

9 SECTION 2. Title 3 of the Special Districts Code is amended
10 by adding a new chapter 1102 to read as follows:

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 1102.001. DEFINITIONS. In this chapter:

13 (1) "Annual Survey" means the TDH/AHA/THA Annual
14 Survey of Hospitals, as amended, filed annually with the Department
15 of State Health Services.

16 (2) "Commission" means the commission of the District.

17 (3) "Commissioner" means a member of the Commission.

18 (4) "District" means the Montgomery Healthcare
19 Funding District.

20 (5) "Institutional Health Care Provider" means all
21 single campus nonpublic general acute care hospitals in Montgomery
22 County licensed under chapter 241 of the Health and Safety Code, as
23 amended.

24 (6) "District Taxpayer" means any persons or entities
25 that paid taxes during the District's fiscal year.

26 Sec. 1102.002. AUTHORITY FOR OPERATION. The District shall
27 levy taxes to generate additional healthcare funding for

1 institutional health care providers within Montgomery County. The
2 district operates under the authority of the Legislature's
3 authority to create special districts pursuant to Section 1,
4 Article III, of the Texas Constitution.

5 Sec. 1102.003. DURATION OF THE DISTRICT. The District
6 shall cease to exist on September 1, 2007 unless otherwise provided
7 by amendment to this chapter by the Legislature.

8 Sec. 1102.004. POLITICAL SUBDIVISION. The District is a
9 political subdivision of this state.

10 Sec. 1102.005. DISTRICT TERRITORY. The District is
11 composed of the territory whose boundaries are the same as those of
12 Montgomery County.

13 Sec. 1102.006. CORRECTION OF INVALID PROCEDURE. If a court
14 holds that any procedure under this chapter violates the
15 constitution of this state or of the United States, the District by
16 resolution may provide an alternative procedure that conforms with
17 the constitution.

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1102.050. COMMISSION. The District is governed by a
20 Commission appointed by the Montgomery County Commissioners Court.

21 Sec. 1102.051. QUALIFICATION OF COMMISSIONERS. To be
22 eligible to be a Commissioner, a person must:

- 23 (1) be a United States citizen;
24 (2) be 18 years of age or older on the first day of the
25 term to be filled at the election or on the date of appointment, as
26 applicable;
27 (3) have not been determined mentally incompetent by a

1 final judgment of a court;

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

5 (5) have resided continuously in the state for 12
6 months and in Montgomery County for six months immediately
7 preceding the date of the appointment or election, as applicable;
8 and

9 (6) be a person knowledgeable in the health care
10 field.

11 Sec. 1102.052. TERM: APPOINTMENT OF COMMISSIONERS.
12 Commissioners serve terms of two years. Each County Commissioner
13 shall appoint one Commissioner, and the County Judge shall appoint
14 any remaining Commissioners, subject to the qualifications of
15 Section 1102.051.

16 Sec. 1102.053. VACANCY. If a vacancy occurs on the
17 Commission, the Montgomery County Commissioners Court shall
18 appoint an alternative Commissioner who meets the qualification
19 criteria of Section 1102.051. In the event the Montgomery County
20 Commissioners Court fails to appoint a replacement Commissioner
21 within one month of the vacancy, the remaining Commissioners may
22 appoint a replacement.

23 Sec. 1102.054. OFFICERS. The Commission shall elect a
24 president and a secretary from among the Commissioners to serve
25 until the next Commissioners' election.

26 Sec. 1102.055. COMPENSATION; EXPENSES. A Commissioner
27 serves without compensation but may be reimbursed for actual

1 expenses incurred in the performance of official duties on the
2 approval of the expenses by the Commission.

3 Sec. 1102.056. EMPLOYEES/INDEPENDENT CONTRACTORS. The
4 Commission may employ an attorney, financial advisor, or bookkeeper
5 or contract for those services.

6 Sec. 1102.057. MAINTENANCE OF RECORDS: PUBLIC INSPECTION.
7 All district records, including books, accounts, notices, minutes,
8 and all other matters of the district and the operation of its
9 facilities, shall be:

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12 at all reasonable hours.

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 1102.100. DISTRICT RESPONSIBILITY. (a) The District
15 shall levy taxes solely as provided in this chapter.

16 (b) The District may not levy any taxes in any year without
17 the approval of a majority of the Commission.

18 Sec. 1102.101. MAJORITY REQUIRED. To act or spend funds to
19 cover administrative expenses, the District must have an
20 affirmative vote by a majority of the Commissioners, subject to the
21 limitations of subsection (b) of this section.

22 (b) To spend funds unrelated to covering administrative
23 cost, the District must have an affirmative vote by a majority of
24 the Commissioners and a supermajority affirmative vote of 95% of
25 the District Taxpayers.

26 Sec. 1102.102. RULES. The Commission may adopt rules
27 governing the operation of the District, including the taxing

1 mechanism that is written to comport with the requirements of this
2 chapter.

3 Sec. 1102.103. PURCHASING AND ACCOUNTING PROCEDURES. (a)
4 The Commission may prescribe the method and manner for making
5 purchases and expenditures by the District.

6 (b) The Commission shall prescribe:

7 (1) all accounting and control procedures; and

8 (2) the method of purchasing necessary supplies,
9 materials, and equipment.

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11 REPORTING; INSPECTION OF RECORDS. (a) The District shall require
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14 Health Services.

15 (b) The District may inspect the records of an institutional
16 health care provider necessary to ensure that the provider reports
17 all data required under this chapter.

18 Sec. 1102.105. AUTHORITY TO SUE AND BE SUED. As a
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20 name in any court of this state.

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1102.150. BUDGET. (a) Each year, the Commission shall
23 prepare a budget showing for the following fiscal year:

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27 year.

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3 least one notice of the hearing shall be published in a newspaper of
4 general circulation in the county.

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10 Sec. 1102.152. ANNUAL AUDIT. (a) For each fiscal year, the
11 Commission shall have an independent audit made of the District's
12 books and records.

13 (b) Not later than December 31 each year, the audit shall be
14 filed with the comptroller and at the District office.

15 Sec. 1102.153. DEPOSITORY. (a) The Commission by
16 resolution shall designate one or more banks in the District as the
17 District's depository or treasurer. A designated bank serves for
18 two years and until a successor is designated.

19 (b) All income received by the District, including tax
20 revenue after deducting discounts and fees for assessing and
21 collecting the taxes, shall be deposited with the District
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25 SUBCHAPTER E. TAXES

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27 PROVIDERS. (a) The Commission may impose a tax on all

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2 total number of emergency room visits reported by each
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4 annual survey. The District shall update this tax basis with the
5 number of emergency room visits reported by each institutional
6 health care provider in the Annual Survey for hospital fiscal year
7 2006 and every four years thereafter. The tax shall not exceed
8 \$100.00 per emergency room visit.

9 (b) Any tax levied under subsection (a) must be imposed
10 broadly and uniformly for all institutional health care providers
11 and not hold harmless any institutional health care provider, as
12 required under 42 U.S.C. section 1396b(w), as amended.

13 (c) The Commission may set a rate for the tax under this
14 section that is sufficient to cover its administrative expenses and
15 to provide inpatient and outpatient healthcare services within the
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17 of 4% of the tax or \$20,000 per year.

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19 a surcharge to any patient.

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22 imposed under this subchapter unless the Commission appoints a tax
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24 Safety Code.

25 (b) The county tax assessor and collector shall charge and
26 deduct from payments to the district a fee for imposing the tax in
27 an amount determined by the Commission not to exceed the lesser of

1 one percent of the amount collected or \$5,000 for the fiscal year.
2 The fees for imposing the tax shall be deposited in the county's
3 general fund and shall be reported as fees of the tax assessor and
4 collector.

5 Sec. 1102.202. INTEREST, PENALTIES, AND DISCOUNTS.
6 Interest, penalties, and discounts on taxes paid to the District
7 shall be the same as for county taxes.

8 SECTION 3. Title 3 of the Special Districts Code, is amended
9 by adding a new chapter 1103 to read as follows:

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1103.001. DEFINITIONS. In this chapter:

12 (1) "Annual Survey" means the TDH/AHA/THA Annual
13 Survey of Hospitals, as amended, filed annually with the Department
14 of State Health Services.

15 (2) "Commission" means the commission of the District.

16 (3) "Commissioner" means a member of the Commission.

17 (4) "District" means the Webb Healthcare Funding
18 District.

19 (5) "Institutional Health Care Provider" means all
20 nonpublic general acute care hospitals in Webb County licensed
21 under chapter 241 of the Health and Safety Code, as amended.

22 (6) "District Taxpayer" means any persons or entities
23 that paid taxes during the District's fiscal year.

24 Sec. 1103.002. AUTHORITY FOR OPERATION. The District shall
25 levy taxes to generate additional healthcare funding for
26 institutional health care providers within Webb County. The
27 district operates under the authority of the Legislature's

1 authority to create special districts pursuant to Section 1,
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7 political subdivision of this state.

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9 composed of the territory whose boundaries are the same as those of
10 Webb County.

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12 holds that any procedure under this chapter violates the
13 constitution of this state or of the United States, the District by
14 resolution may provide an alternative procedure that conforms with
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16 SUBCHAPTER B. DISTRICT ADMINISTRATION

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18 Commission appointed by the Webb County Commissioners Court.

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20 eligible to be a Commissioner, a person must:

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23 term to be filled at the election or on the date of appointment, as
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26 final judgment of a court;

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1 which the person has not been pardoned or otherwise released from
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4 months and in Webb County for six months immediately preceding the
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10 Court shall appoint one Commissioner, and the County Judge shall
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14 Commission, the Webb County Commissioners Court shall appoint an
15 alternative Commissioner who meets the qualification criteria of
16 Section 1103.051. In the event the Webb County Commissioners Court
17 fails to appoint a replacement Commissioner within one month of the
18 vacancy, the remaining Commissioners may appoint a replacement.

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20 president and a secretary from among the Commissioners to serve
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7 REPORTING; INSPECTION OF RECORDS. (a) The District shall require
8 all institutional health care providers to submit copies of their
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23 year.

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25 proposed budget. At least 10 days before the date of hearing, at
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2 and place designated in the notice and to be heard regarding any
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7 Commission shall have an independent audit made of the District's
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9 (b) Not later than December 31 each year, the audit shall be
10 filed with the comptroller and at the District office.

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12 resolution shall designate one or more banks in the District as the
13 District's depository or treasurer. A designated bank serves for
14 two years and until a successor is designated.

15 (b) All income received by the District, including tax
16 revenue after deducting discounts and fees for assessing and
17 collecting the taxes, shall be deposited with the District
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20 provided for securing county funds.

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27 annual survey. The District shall update this tax basis with the

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4 \$100.00 per emergency room visit.

5 (b) Any tax levied under subsection (a) must be imposed
6 broadly and uniformly for all institutional health care providers
7 and not hold harmless any institutional health care provider, as
8 required under 42 U.S.C. section 1396b(w), as amended.

9 (c) The Commission may set a rate for the tax under this
10 section that is sufficient to cover its administrative expenses and
11 to provide inpatient and outpatient healthcare services within the
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13 of 4% of the tax or \$20,000 per year.

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15 a surcharge to any patient.

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20 Safety Code.

21 (b) The county tax assessor and collector shall charge and
22 deduct from payments to the district a fee for imposing the tax in
23 an amount determined by the Commission not to exceed the lesser of
24 one percent of the amount collected or \$5,000 for the fiscal year.
25 The fees for imposing the tax shall be deposited in the county's
26 general fund and shall be reported as fees of the tax assessor and
27 collector.

1 Sec. 1103.202. INTEREST, PENALTIES, AND DISCOUNTS.

2 Interest, penalties, and discounts on taxes paid to the District
3 shall be the same as for county taxes.

4 SECTION 4. Title 3 of the Special Districts Code is amended
5 by adding a new chapter 1104 to read as follows:

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1104.001. DEFINITIONS. In this chapter:

8 (1) "Annual Survey" means the TDH/AHA/THA Annual
9 Survey of Hospitals, as amended, filed annually with the Department
10 of State Health Services.

11 (2) "Commission" means the commission of the District.

12 (3) "Commissioner" means a member of the Commission.

13 (4) "District" means the Bexar Healthcare Funding
14 District.

15 (5) "Institutional Health Care Provider" means all
16 nonpublic general acute care hospitals in Bexar County licensed
17 under chapter 241 of the Health and Safety Code, as amended.

18 (6) "District Taxpayer" means any persons or entities
19 that paid taxes during the District's fiscal year.

20 Sec. 1104.002. AUTHORITY FOR OPERATION. The District shall
21 levy taxes to generate additional healthcare funding for
22 institutional health care providers within Bexar County. The
23 district operates under the authority of the Legislature's
24 authority to create special districts pursuant to Section 1,
25 Article III, of the Texas Constitution.

26 Sec. 1104.003. DURATION OF THE DISTRICT. The District
27 shall cease to exist on September 1, 2007 unless otherwise provided

1 by amendment to this chapter by the Legislature.

2 Sec. 1104.004. POLITICAL SUBDIVISION. The District is a
3 political subdivision of this state.

4 Sec. 1104.005. DISTRICT TERRITORY. The District is
5 composed of the territory whose boundaries are the same as those of
6 Bexar County.

7 Sec. 1104.006. CORRECTION OF INVALID PROCEDURE. If a court
8 holds that any procedure under this chapter violates the
9 constitution of this state or of the United States, the District by
10 resolution may provide an alternative procedure that conforms with
11 the constitution.

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1104.050. COMMISSION. The District is governed by a
14 Commission appointed by the Bexar County Commissioners Court.

15 Sec. 1104.051. QUALIFICATION OF COMMISSIONERS. To be
16 eligible to be a Commissioner, a person must:

17 (1) be a United States citizen;

18 (2) be 18 years of age or older on the first day of the
19 term to be filled at the election or on the date of appointment, as
20 applicable;

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

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

26 (5) have resided continuously in the state for 12
27 months and in Bexar County for six months immediately preceding the

1 date of the appointment or election, as applicable; and

2 (6) be a person knowledgeable in the health care
3 field.

4 Sec. 1104.052. TERM: APPOINTMENT OF COMMISSIONERS.
5 Commissioners serve terms of two years. The Bexar County
6 Commissioners Court shall appoint Commissioners, that meet the
7 qualification of Sec. 1104.51.

8 Sec. 1104.053. VACANCY. If a vacancy occurs on the
9 Commission, the Bexar County Commissioners Court shall appoint an
10 alternative Commissioner who meets the qualification criteria of
11 Section 1104.051. In the event the Bexar County Commissioners
12 Court fails to appoint a replacement Commissioner within one month
13 of the vacancy, the remaining Commissioners may appoint a
14 replacement.

15 Sec. 1104.054. OFFICERS. The Commissioner shall elect a
16 president and a secretary from among the Commissioners to serve
17 until the next Commissioners' election.

18 Sec. 1104.055. COMPENSATION; EXPENSES. A Commissioner
19 serves without compensation but may be reimbursed for actual
20 expenses incurred in the performance of official duties on the
21 approval of the expenses by the Commission.

22 Sec. 1104.056. EMPLOYEES/INDEPENDENT CONTRACTORS. The
23 Commission may employ an attorney, financial advisor, or bookkeeper
24 or contract for those services.

25 Sec. 1104.057. MAINTENANCE OF RECORDS: PUBLIC INSPECTION.
26 All District records, including books, accounts, notices, minutes,
27 and all other matters of the district and the operation of its

1 facilities, shall be:

2 (1) maintained at the District office: and

3 (2) open to public inspection at the District office
4 at all reasonable hours.

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 1104.100. DISTRICT RESPONSIBILITY. (a) The District
7 shall levy taxes solely as provided in this chapter.

8 (b) The District may not levy any taxes in any year without
9 the approval of a majority of the Commission.

10 Sec. 1104.101. MAJORITY REQUIRED. (a) To act or spend
11 funds to cover administrative expenses, the District must have an
12 affirmative vote by a majority of the Commissioners, subject to the
13 limitations of subsection (b) of this section.

14 (b) To spend funds unrelated to covering administrative
15 cost, the District must have an affirmative vote by a majority of
16 the Commissioners and a supermajority affirmative vote of 95% of
17 the District Taxpayers.

18 Sec. 1104.102. RULES. The Commission may adopt rules
19 governing the operation of the District, including the taxing
20 mechanism that is written to comport with the requirements of this
21 chapter.

22 Sec. 1104.103. PURCHASING AND ACCOUNTING PROCEDURES. (a)
23 The Commission may prescribe the method and manner for making
24 purchases and expenditures by the District.

25 (b) The Commission shall prescribe:

26 (1) all accounting and control procedures; and

27 (2) the method of purchasing necessary supplies,

1 materials, and equipment.

2 Sec. 1104.104. INSTITUTIONAL HEALTHCARE PROVIDER
3 REPORTING; INSPECTION OF RECORDS. (a) The District shall require
4 all institutional health care providers to submit copies of their
5 annual surveys as amended and filed with the Department of State
6 Health Services.

7 (b) The District may inspect the records of an institutional
8 health care provider necessary to ensure that the provider reports
9 all data required under this chapter.

10 Sec. 1104.105. AUTHORITY TO SUE AND BE SUED. As a
11 governmental agency, the District may sue and be sued in its own
12 name in any court of this state.

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1104.150. BUDGET. (a) Each year, the Commission shall
15 prepare a budget showing for the following fiscal year:

16 (a) the proposed expenditures and disbursements;

17 (b) the estimated receipts and collections; and

18 (c) the amount of taxes required to be imposed during the
19 year.

20 (b) The Commission shall hold a public hearing on the
21 proposed budget. At least 10 days before the date of hearing, at
22 least one notice of the hearing shall be published in a newspaper of
23 general circulation in the county.

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

27 Sec. 1104.151. FISCAL YEAR. The District's fiscal year

1 begins on September 1 and ends on August 31.

2 Sec. 1104.152. ANNUAL AUDIT. (a) For each fiscal year, the
3 Commission shall have an independent audit made of the District's
4 books and records.

5 (b) Not later than December 31 each year, the audit shall be
6 filed with the comptroller and at the District office.

7 Sec. 1104.153. DEPOSITORY. (a) The Commission by
8 resolution shall designate one or more banks in the District as the
9 District's depository or treasurer. A designated bank serves for
10 two years and until a successor is designated.

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

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

17 SUBCHAPTER E. TAXES

18 Sec. 1104.200. TAXES ON INSTITUTIONAL HEALTH CARE
19 PROVIDERS. (a) The Commission may impose a tax on all
20 institutional health care providers. The tax shall be based on the
21 total number of emergency room visits reported by each
22 institutional health care provider on its 2002 hospital fiscal year
23 annual survey. The District shall update this tax basis with the
24 number of emergency room visits reported by each institutional
25 health care provider in the Annual Survey for hospital fiscal year
26 2006 and every four years thereafter. The tax shall not exceed
27 \$100.00 per emergency room visit.

1 (b) Any tax levied under subsection (a) must be imposed
2 broadly and uniformly for all institutional health care providers
3 and not hold harmless any institutional health care provider, as
4 required under 42 U.S.C. section 1396b(w), as amended.

5 (c) The Commission may set a rate for the tax under this
6 section that is sufficient to cover its administrative expenses and
7 to provide inpatient and outpatient healthcare services within the
8 District. Such administrative expenses shall not exceed the lesser
9 of 4% of the tax or \$20,000 per year.

10 (d) No tax imposed under subsection (a) shall be assessed as
11 a surcharge to any patient.

12 Sec. 1104.201. APPOINTMENT OF TAX ASSESSOR AND COLLECTOR.

13 (a) The county tax assessor and collector shall collect the tax
14 imposed under this subchapter unless the Commission appoints a tax
15 assessor and collector under Section 285.041 of the Health and
16 Safety Code.

17 (b) The county tax assessor and collector shall charge and
18 deduct from payments to the district a fee for imposing the tax in
19 an amount determined by the Commission not to exceed the lesser of
20 one percent of the amount collected or \$5,000 for the fiscal year.
21 The fees for imposing the tax shall be deposited in the county's
22 general fund and shall be reported as fees of the tax assessor and
23 collector.

24 Sec. 1104.202. INTEREST, PENALTIES, AND DISCOUNTS.

25 Interest, penalties, and discounts on taxes paid to the District
26 shall be the same as for county taxes.

27 SECTION 5. EFFECTIVE DATE This Act shall take effect

H.B. No. 2463

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