

BILL ANALYSIS

Senate Research Center

S.B. 1107
By: Watson
State Affairs
5/28/2007
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Travis County Healthcare District (district) was created in May, 2004. Currently, the district needs statutory changes to ensure that it can meet its financial obligations and operate in a comparable manner to other healthcare districts in Texas.

S.B. 1107 authorizes the district to issue revenue anticipation notes, affiliate with other entities, employ physicians, make capital contributions to a regional healthcare entity, and seek voter approval of a tax increase above the rollback rate. This bill also clarifies the district's contracting authority, repeals the prohibition on a district-assessed sales and use tax, and creates a proportionate retirement system for City of Austin employees who transfer their employment to the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 803, Government Code, by adding Section 803.204, as follows:

Sec. 803.204. COMBINED SERVICE CREDIT IN CERTAIN SYSTEMS. (a) Provides that this section applies only to certain employees.

(b) Provides that any service credit earned by an employee described by Subsection (a) with a retirement system established by the hospital district, charitable organization, or administrative agency will be combined under Section 803.201 to determine whether the employee meets the length-of-service requirements for service retirement under the municipal retirement system.

(c) Provides that on retirement, an employee described in Subsection (a) will receive a benefit from the municipality as determined under Subchapter D and if the hospital district or administrative agency has established or participates in a retirement program or the charitable organization has a retirement plan benefit from the hospital district, charitable organization, or administrative agency as determined in the terms of the district's, organization's, or agency's retirement plan.

SECTION 2. Amends Section 1431.001(2), Government Code, to redefine "eligible countywide district."

SECTION 3. Amends Section 61.056, Health and Safety Code, by adding Subsections (c), as follows:

(c) Authorizes a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003, to affiliate with any person or private entity to provide regional administration and delivery of health care services. Requires the regional affiliation, in accordance with the

affiliation agreement, to use money contributed by an affiliated governmental entity to provide health care services to an eligible resident of that governmental entity.

SECTION 4. Amends Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.0281, as follows:

Sec. 281.0281. STAFF FOR CERTAIN DISTRICTS. (a) Provides that this section applies only to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes the board to employ certain persons as it considers necessary for the efficient operation of the district.

(c) Authorizes the board to employ a licensed physician as a medical director if the physician provides only policy, administrative, and managerial services and does not provide direct patient care or otherwise practice medicine.

(d) Provides that this subsection does not authorize the board to supervise or control the practice of medicine or permit the unauthorized practice of medicine, as prohibited by Subtitle B (Physicians), Title 3, Occupations Code.

SECTION 5. Amends Subchapter C, Chapter 281, Health and Safety Code, by adding Section 281.0511, as follows:

Sec. 281.0511. CONTRACTING AUTHORITY OF CERTAIN DISTRICTS. (a) Provides that this section applies only to a district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes the board to contract with certain persons to provide or assist in the provision of services, notwithstanding Sections 281.050 and 281.051.

SECTION 6. Amends Section 281.0565, Health and Safety Code, by adding Subsection (d), as follows:

(d) Authorizes a hospital district created in a certain county to make a capital or other financial contribution to a charitable organization created by the district to provide regional administration and delivery of health care services to or for the district.

SECTION 7. Amends Subchapter G, Chapter 281, Health and Safety Code, by adding Section 281.124, as follows:

Sec. 281.124. ELECTION TO APPROVE TAX RATE IN EXCESS OF ROLL BACK TAX RATE. (a) Provides that this section applies only to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes the board to hold an election at which the registered voters of the district may approve a tax rate for the current tax year that exceeds the district's rollback tax rate for the year computed under Chapter 26 (Assessment), Tax Code, by a specific rate stated in dollars and cents per \$100 of taxable value.

(c) Requires an election under this section to be held at 180 days before the date on which the district's tax rate is adopted by the board. Requires the ballot to be prepared to permit voting for or against the proposition at the election. Sets forth the required language of the bill.

(d) Provides that the tax rate for the specified tax year is the rate that is approved by the voters and that rate is not subject to a rollback election under Section 26.07 (Election to Repeal Increase), Tax Code, provided that a majority of the votes cast

in the election favor the proposition. Requires the board to adopt the tax rate as provided by Chapter 26, Tax Code.

(e) Prohibits the board from adopting the proposed tax rate for the district for the specified tax year that exceeds the rate that was not approved, and provides that Section 26.07, Tax Code, applies to the adopted rate if that rate exceeds the rollback tax rate if that proposition is not approved as provided by Subsection (c).

(f) Prohibits a body with approval authority over the district's budget or tax rate from disapproving the tax rate approved by the voters or disapproving the budget based solely on the tax rate approved by the voters if the voters approve the proposed tax rate at an election held under this section, notwithstanding any other law.

SECTION 8. Amends Section 162.001, Occupations Code, by adding Subsections (c-4) and (c-5), as follows:

(c-4) Requires the Texas Medical Board to certify a health organization to contract with or employ physicians licensed by the board under certain circumstances.

(c-5) Provides that this section applies to a hospital district described by Subsection (c-4) only in relation to the hospital district's operations as a community or federally qualified health center described by Subsection (c-4)(2).

SECTION 9. Repealer: Section 281.123 (Sales and Use Tax Prohibited for Certain Districts), Health and Safety Code.

SECTION 10. Makes application of Section 803.204, Government Code, as added by this Act, prospective.

SECTION 11. Effective date: September 1, 2007.