

BILL ANALYSIS

S.B. 1107
By: Watson
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Travis County Healthcare District (district) is beginning the process of transferring the federally-qualified health center status and the employees that perform the related functions from the City of Austin (city) to the district as part of the district's continuing evolution and assumption of obligations from the city. Currently, city employees, including those transferring to the district, cannot have their years of service credit earned at the district, a charitable organization created by the district, or an administrative agency created under the Interlocal Cooperation Act, any of which may be formed as part of the transition, given proportionality in the city's retirement system. The district does not have the authority to issue revenue anticipation notes (the Harris County Hospital District has such authority). Additionally, the district does not have clear authority to affiliate with private entities to provide healthcare on a regional basis or to make capital contributions to an entity providing healthcare on a regional basis.

S.B. 1107 will permit proportionality in the city's retirement system for service performed at the district, a district-created charitable organization, or an administrative agency created under the Interlocal Cooperation Act. The bill also adds the Travis County Healthcare District to the list of entities having statutory authority to issue revenue anticipation notes. Additionally, the district is authorized to affiliate with a public or private entity to provide healthcare on a regional basis and to make a capital or other financial contribution to an entity providing healthcare on a regional basis. It also permits the district to hold an advance affirmative election for the taxpayers to permit the district to raise its tax rate above the rollback rate. The bill permits the district to employ healthcare providers in its operation of the federally-qualified health centers and repeals a prohibition on the district's assessing a sales and use tax.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1107 creates a proportionate retirement system between the City of Austin retirement system and a public retirement system created by the district, a charitable organization created by the District, or an administrative agency created under the Interlocal Cooperation Act. Redefines "eligible countywide district." Authorizes the district to affiliate with other entities for the regional administration and delivery of healthcare services. Permits the district to employ health care providers. Clarifies the district's contracting authority with other entities to ensure that the district's operations are cost-effective and efficient. Allows the district to make a capital or other financial contribution to a regional healthcare entity. Enables the district to seek prior voter approval of a tax increase above the rollback rate. Allows the district to contract with or employ physicians to work at the Federally Qualified Community Health Centers. Repeals Section 281.123 (Sales and Use Tax Prohibition), Health and Safety Code. Makes the application of Section 803.204, Government Code, as added by the Act, effective for retirements occurring on or after the effective date of the Act.

EFFECTIVE DATE

September 1, 2007.