

1-1 By: Watson S.B. No. 1107  
1-2 (In the Senate - Filed March 2, 2007; March 14, 2007, read  
1-3 first time and referred to Committee on State Affairs;  
1-4 April 2, 2007, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 2, 2007,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1107 By: Lucio

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the powers and duties of certain healthcare districts;  
1-11 authorizing the issuance of anticipation notes and the imposition  
1-12 of taxes.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter C, Chapter 803, Government Code, is  
1-15 amended by adding Section 803.204 to read as follows:

1-16 Sec. 803.204. COMBINED SERVICE CREDIT IN CERTAIN SYSTEMS.

1-17 (a) This section applies only to an employee who:

1-18 (1) is a member of a municipal retirement system  
1-19 described by Section 803.0021(1);

1-20 (2) is employed by a hospital district, a charitable  
1-21 organization created by the hospital district, or an administrative  
1-22 agency created under Section 791.013, either before or after being  
1-23 employed by the employing municipality located in the same county  
1-24 as the hospital district, charitable organization, or  
1-25 administrative agency; and

1-26 (3) participates in a public retirement system:

1-27 (A) that is determined to be a qualified plan  
1-28 under Section 401(a), Internal Revenue Code of 1986 (26 U.S.C.  
1-29 Section 401(a)), of a hospital district, charitable organization,  
1-30 or administrative agency that is determined to be a governmental  
1-31 unit, or an agency or an instrumentality of a governmental unit; and

1-32 (B) that records and reports service credit as  
1-33 defined by Section 803.001.

1-34 (b) Any service credit earned by an employee described by  
1-35 Subsection (a) with a retirement system established by the hospital  
1-36 district, charitable organization, or administrative agency will  
1-37 be combined under Section 803.201 to determine whether the employee  
1-38 meets the length-of-service requirements for service retirement  
1-39 under the municipal retirement system.

1-40 (c) On retirement, an employee described by Subsection (a)  
1-41 will receive a benefit from the municipal retirement system as  
1-42 determined by Subchapter D, and if the hospital district or  
1-43 administrative agency has established or participates in a  
1-44 retirement program or the charitable organization has a retirement  
1-45 plan, will receive a benefit from the hospital district,  
1-46 administrative agency, or charitable organization as determined by  
1-47 the terms of the district's, agency's, or organization's retirement  
1-48 plan.

1-49 SECTION 2. Subdivision (2), Section 1431.001, Government  
1-50 Code, is amended to read as follows:

1-51 (2) "Eligible countywide district" means a flood  
1-52 control district or a hospital district the boundaries of which are  
1-53 substantially coterminous with the boundaries of a county with a  
1-54 population of three million or more or a hospital district created  
1-55 in a county with a population of more than 800,000 that was not  
1-56 included in the boundaries of a hospital district before September  
1-57 1, 2003.

1-58 SECTION 3. Section 61.056, Health and Safety Code, is  
1-59 amended by adding Subsection (c) to read as follows:

1-60 (c) A hospital district created in a county with a  
1-61 population of more than 800,000 that was not included in the  
1-62 boundaries of a hospital district before September 1, 2003, may  
1-63 affiliate with any public or private entity to provide regional

2-1 administration and delivery of health care services. The regional  
2-2 affiliation, in accordance with the affiliation agreement, shall  
2-3 use money contributed by an affiliated governmental entity to  
2-4 provide health care services to an eligible resident of that  
2-5 governmental entity.

2-6 SECTION 4. Subchapter B, Chapter 281, Health and Safety  
2-7 Code, is amended by adding Section 281.0281 to read as follows:

2-8 Sec. 281.0281. EMPLOYMENT OF HEALTH CARE PROVIDERS.

2-9 (a) This section applies only to a district created in a county  
2-10 with a population of more than 800,000 that was not included in the  
2-11 boundaries of a hospital district before September 1, 2003.

2-12 (b) The board may employ physicians, dentists, or other  
2-13 health care providers as the board considers necessary for the  
2-14 district's efficient operation.

2-15 (c) This section does not authorize the board to supervise  
2-16 or control the practice of medicine or permit the unauthorized  
2-17 practice of medicine, as prohibited by Subtitle B, Title 3,  
2-18 Occupations Code.

2-19 SECTION 5. Subchapter C, Chapter 281, Health and Safety  
2-20 Code, is amended by adding Section 281.0511 to read as follows:

2-21 Sec. 281.0511. CONTRACTING AUTHORITY OF CERTAIN DISTRICTS.

2-22 (a) This section applies only to a district created in a county  
2-23 with a population of more than 800,000 that was not included in the  
2-24 boundaries of a hospital district before September 1, 2003.

2-25 (b) Notwithstanding Sections 281.050 and 281.051, the board  
2-26 may contract with any person, including a private or public entity  
2-27 or a political subdivision of this state, to provide or assist in  
2-28 the provision of services.

2-29 SECTION 6. Section 281.0565, Health and Safety Code, is  
2-30 amended by adding Subsection (d) to read as follows:

2-31 (d) A district created in a county with a population of more  
2-32 than 800,000 that was not included in the boundaries of a hospital  
2-33 district before September 1, 2003, may make a capital or other  
2-34 financial contribution to a charitable organization created by the  
2-35 district to provide regional administration and delivery of health  
2-36 care services to or for the district.

2-37 SECTION 7. Subchapter G, Chapter 281, Health and Safety  
2-38 Code, is amended by adding Section 281.124 to read as follows:

2-39 Sec. 281.124. ELECTION TO APPROVE TAX RATE IN EXCESS OF

2-40 ROLLBACK TAX RATE. (a) This section applies only to a district  
2-41 created in a county with a population of more than 800,000 that was  
2-42 not included in the boundaries of a hospital district before  
2-43 September 1, 2003.

2-44 (b) The board may hold an election at which the registered  
2-45 voters of the district may approve a tax rate for the current tax  
2-46 year that exceeds the district's rollback tax rate for the year  
2-47 computed under Chapter 26, Tax Code, by a specific rate stated in  
2-48 dollars and cents per \$100 of taxable value.

2-49 (c) An election under this section must be held at least 180  
2-50 days before the date on which the district's tax rate is adopted by  
2-51 the board. At the election, the ballot shall be prepared to permit  
2-52 voting for or against the proposition: "Approving the ad valorem  
2-53 tax rate of \$ (insert total proposed tax rate) per \$100 valuation in  
2-54 (insert district name) for the (insert current tax year) tax year, a  
2-55 rate that exceeds the district's rollback tax rate. The proposed ad  
2-56 valorem tax rate exceeds the ad valorem tax rate most recently  
2-57 adopted by the district by \$(insert difference between proposed and  
2-58 preceding year's tax rates) per \$100 valuation."

2-59 (d) If a majority of the votes cast in the election favor the  
2-60 proposition, the tax rate for the specified tax year is the rate  
2-61 approved by the voters, and that rate is not subject to a rollback  
2-62 election under Section 26.07, Tax Code. The board shall adopt the  
2-63 tax rate as provided by Chapter 26, Tax Code.

2-64 (e) If the proposition is not approved as provided by  
2-65 Subsection (c), the board may not adopt a tax rate for the district  
2-66 for the specified tax year that exceeds the rate that was not  
2-67 approved, and Section 26.07, Tax Code, applies to the adopted rate  
2-68 if that rate exceeds the rollback tax rate.

2-69 (f) Notwithstanding any other law, if a majority of the

3-1 votes cast in the election favor the proposition, a governing body  
3-2 with approval authority over the district's budget or tax rate may  
3-3 not disapprove the tax rate approved by the voters or disapprove the  
3-4 budget based solely on the tax rate approved by the voters.

3-5 SECTION 8. Section 162.001, Occupations Code, is amended by  
3-6 adding Subsections (c-4) and (c-5) to read as follows:

3-7 (c-4) The board shall certify a health organization to  
3-8 contract with or employ physicians licensed by the board if the  
3-9 organization:

3-10 (1) is a hospital district:

3-11 (A) recognized by a federal agency as a public  
3-12 entity eligible to receive a grant related to a community or  
3-13 federally qualified health center described by Subdivision (2); and

3-14 (B) created in a county with a population of more  
3-15 than 800,000 that was not included in the boundaries of a hospital  
3-16 district before September 1, 2003; and

3-17 (2) is organized and operated as:

3-18 (A) a migrant, community, or homeless health  
3-19 center under the authority of and in compliance with 42 U.S.C.  
3-20 Section 254b or 254c; or

3-21 (B) a federally qualified health center under 42  
3-22 U.S.C. Section 1396d(1)(2)(B).

3-23 (c-5) This section applies to a hospital district described  
3-24 by Subsection (c-4) only in relation to the hospital district's  
3-25 operations as a community or federally qualified health center  
3-26 described by Subsection (c-4)(2).

3-27 SECTION 9. Section 281.123, Health and Safety Code, is  
3-28 repealed.

3-29 SECTION 10. Section 803.204, Government Code, as added by  
3-30 this Act, applies only to a person who retires on or after the  
3-31 effective date of this Act.

3-32 SECTION 11. This Act takes effect September 1, 2007.

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