

AN ACT

relating to the powers of certain hospital districts and to the retirement benefits of employees of the districts and related entities.

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

SECTION 1. Section 803.203, Government Code, is amended by amending Subsections (a), (c), and (e) and adding Subsection (h) to read as follows:

(a) Except as provided by Subsection (g), a person who is a member of a retirement system participating in the program provided by this chapter may reestablish service credit, including prior service credit if applicable, previously canceled in another retirement system that is participating in the program provided by this chapter if the person:

(1) is not a current member of the system under which the service was performed; ~~or~~

(2) in the case of the Texas County and District Retirement System, does not have an open account with the subdivision for which the person performed the service for which the credit is sought; or

(3) in the case of an employee to whom Section 803.204 applies, does not have an open account with the employing hospital district, charitable organization, or administrative agency, as applicable, for which the person performed the service for which

1 the credit is sought.

2 (c) Except as provided by Subsection (f), the retirement
3 system in which the service credit was originally credited shall
4 grant the service credit after receiving an application and a
5 certification required by Subsection (b) and:

6 (1) to reestablish service credit other than in the
7 Texas County and District Retirement System, ~~[or]~~ the Texas
8 Municipal Retirement System, or the retirement system in which a
9 hospital district, charitable organization, or administrative
10 agency described by Section 803.204 participates, a contribution in
11 the amount generally required to reestablish service credit in the
12 system, including any applicable interest and membership fees;

13 (2) to reestablish service credit in the Texas County
14 and District Retirement System, ~~[or]~~ the Texas Municipal Retirement
15 System, or the retirement system in which a hospital district,
16 charitable organization, or administrative agency described by
17 Section 803.204 participates, a statement that the applicant does
18 not wish to make a contribution for the service credit; or

19 (3) at the applicant's option, to reestablish current
20 service credit in the Texas County and District Retirement System,
21 the actuarial present value of the additional standard service
22 benefits that would be attributable to the credit based on rates and
23 tables recommended by the actuary and adopted by the board of
24 trustees of the system.

25 (e) Service credit [~~reestablished~~] in the Texas County and
26 District Retirement System, ~~[or]~~ the Texas Municipal Retirement
27 System, or the retirement system in which a hospital district,

1 charitable organization, or administrative agency described by
2 Section 803.204 participates that is reestablished under
3 Subsection (c)(2) may be used only to meet eligibility requirements
4 for benefits. Service credit reestablished in the Texas County and
5 District Retirement System or the Texas Municipal Retirement System
6 [~~either system~~] under Subsection (c)(3) or (d) has the same value as
7 service credit performed for the particular subdivision or
8 municipality at the time of deposit. The credit is creditable to
9 the member's and employer's accounts in each subdivision or
10 municipality for which the service was performed.

11 (h) This section applies to an employee described by Section
12 803.204 on the date the federal government establishes as the
13 effective date of the transfer of federally qualified health center
14 status from a municipality described by Section 803.0021(1) to a
15 hospital district, charitable organization, or administrative
16 agency described by Section 803.204.

17 SECTION 2. Section 803.204, Government Code, is amended by
18 amending Subsection (a) and adding Subsection (d) to read as
19 follows:

20 (a) This section applies only to an employee who:

21 (1) is a member of a municipal retirement system
22 described by Section 803.0021(1);

23 (2) is employed by a hospital district, a charitable
24 organization supervised, overseen, and effectively controlled
25 [~~created~~] by the hospital district, or an administrative agency
26 created under Section 791.013, either before or after being
27 employed by the employing municipality located in the same county

1 as the hospital district, charitable organization, or
2 administrative agency; and

3 (3) participates in a public retirement system:

4 (A) that is determined to be a qualified plan
5 under Section 401(a), Internal Revenue Code of 1986 (26 U.S.C.
6 Section 401(a)), of a hospital district, charitable organization,
7 or administrative agency that is determined to be a governmental
8 unit, or an agency or an instrumentality of a governmental unit; and

9 (B) that records and reports service credit as
10 defined by Section 803.001.

11 (d) For purposes of this section, a charitable organization
12 supervised, overseen, and effectively controlled by a hospital
13 district or an administrative agency created under Section 791.013
14 is an agency or instrumentality of a governmental unit.

15 SECTION 3. Section 61.056, Health and Safety Code, is
16 amended by adding Subsection (d) to read as follows:

17 (d) A hospital district created in a county with a
18 population of more than 800,000 that was not included in the
19 boundaries of a hospital district before September 1, 2003, may
20 provide or arrange to provide health care services for eligible
21 residents through the purchase of health coverage or other health
22 benefits, including benefits described by Chapter 75. For purposes
23 of this subsection, the board of managers of the district has the
24 powers and duties provided to the commissioners court of a county
25 under Chapter 75.

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1063 passed the Senate on
April 24, 2009, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1063 passed the House on
May 15, 2009, by the following vote: Yeas 144, Nays 0, one present
not voting.

Chief Clerk of the House

Approved:

Date

Governor