

1-1 By: Watson S.B. No. 1063
1-2 (In the Senate - Filed February 23, 2009; March 13, 2009,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 16, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 16, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1063 By: Duncan

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

1-10 relating to the powers of certain hospital districts and to the
1-11 retirement benefits of employees of the districts and related
1-12 entities.

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

1-14 SECTION 1. Section 803.203, Government Code, is amended by
1-15 amending Subsections (a), (c), and (e) and adding Subsection (h) to
1-16 read as follows:

1-17 (a) Except as provided by Subsection (g), a person who is a
1-18 member of a retirement system participating in the program provided
1-19 by this chapter may reestablish service credit, including prior
1-20 service credit if applicable, previously canceled in another
1-21 retirement system that is participating in the program provided by
1-22 this chapter if the person:

1-23 (1) is not a current member of the system under which
1-24 the service was performed; ~~or~~

1-25 (2) in the case of the Texas County and District
1-26 Retirement System, does not have an open account with the
1-27 subdivision for which the person performed the service for which
1-28 the credit is sought; or

1-29 (3) in the case of an employee to whom Section 803.204
1-30 applies, does not have an open account with the employing hospital
1-31 district, charitable organization, or administrative agency, as
1-32 applicable, for which the person performed the service for which
1-33 the credit is sought.

1-34 (c) Except as provided by Subsection (f), the retirement
1-35 system in which the service credit was originally credited shall
1-36 grant the service credit after receiving an application and a
1-37 certification required by Subsection (b) and:

1-38 (1) to reestablish service credit other than in the
1-39 Texas County and District Retirement System, ~~or~~ the Texas
1-40 Municipal Retirement System, or the retirement system in which a
1-41 hospital district, charitable organization, or administrative
1-42 agency described by Section 803.204 participates, a contribution in
1-43 the amount generally required to reestablish service credit in the
1-44 system, including any applicable interest and membership fees;

1-45 (2) to reestablish service credit in the Texas County
1-46 and District Retirement System, ~~or~~ the Texas Municipal Retirement
1-47 System, or the retirement system in which a hospital district,
1-48 charitable organization, or administrative agency described by
1-49 Section 803.204 participates, a statement that the applicant does
1-50 not wish to make a contribution for the service credit; or

1-51 (3) at the applicant's option, to reestablish current
1-52 service credit in the Texas County and District Retirement System,
1-53 the actuarial present value of the additional standard service
1-54 benefits that would be attributable to the credit based on rates and
1-55 tables recommended by the actuary and adopted by the board of
1-56 trustees of the system.

1-57 (e) Service credit ~~reestablished~~ in the Texas County and
1-58 District Retirement System, ~~or~~ the Texas Municipal Retirement
1-59 System, or the retirement system in which a hospital district,
1-60 charitable organization, or administrative agency described by
1-61 Section 803.204 participates that is reestablished under
1-62 Subsection (c)(2) may be used only to meet eligibility requirements
1-63 for benefits. Service credit reestablished in the Texas County and

2-1 District Retirement System or the Texas Municipal Retirement System
2-2 ~~[either system]~~ under Subsection (c)(3) or (d) has the same value as
2-3 service credit performed for the particular subdivision or
2-4 municipality at the time of deposit. The credit is creditable to
2-5 the member's and employer's accounts in each subdivision or
2-6 municipality for which the service was performed.

2-7 (h) This section applies to an employee described by Section
2-8 803.204 on the date the federal government establishes as the
2-9 effective date of the transfer of federally qualified health center
2-10 status from a municipality described by Section 803.0021(1) to a
2-11 hospital district, charitable organization, or administrative
2-12 agency described by Section 803.204.

2-13 SECTION 2. Section 803.204, Government Code, is amended by
2-14 amending Subsection (a) and adding Subsection (d) to read as
2-15 follows:

2-16 (a) This section applies only to an employee who:

2-17 (1) is a member of a municipal retirement system
2-18 described by Section 803.0021(1);

2-19 (2) is employed by a hospital district, a charitable
2-20 organization supervised, overseen, and effectively controlled
2-21 ~~[created]~~ by the hospital district, or an administrative agency
2-22 created under Section 791.013, either before or after being
2-23 employed by the employing municipality located in the same county
2-24 as the hospital district, charitable organization, or
2-25 administrative agency; and

2-26 (3) participates in a public retirement system:

2-27 (A) that is determined to be a qualified plan
2-28 under Section 401(a), Internal Revenue Code of 1986 (26 U.S.C.
2-29 Section 401(a)), of a hospital district, charitable organization,
2-30 or administrative agency that is determined to be a governmental
2-31 unit, or an agency or an instrumentality of a governmental unit; and

2-32 (B) that records and reports service credit as
2-33 defined by Section 803.001.

2-34 (d) For purposes of this section, a charitable organization
2-35 supervised, overseen, and effectively controlled by a hospital
2-36 district or an administrative agency created under Section 791.013
2-37 is an agency or instrumentality of a governmental unit.

2-38 SECTION 3. Section 61.056, Health and Safety Code, is
2-39 amended by adding Subsection (d) to read as follows:

2-40 (d) A hospital district created in a county with a
2-41 population of more than 800,000 that was not included in the
2-42 boundaries of a hospital district before September 1, 2003, may
2-43 provide or arrange to provide health care services for eligible
2-44 residents through the purchase of health coverage or other health
2-45 benefits, including benefits described by Chapter 75. For purposes
2-46 of this subsection, the board of managers of the district has the
2-47 powers and duties provided to the commissioners court of a county
2-48 under Chapter 75.

2-49 SECTION 4. This Act takes effect immediately if it receives
2-50 a vote of two-thirds of all the members elected to each house, as
2-51 provided by Section 39, Article III, Texas Constitution. If this
2-52 Act does not receive the vote necessary for immediate effect, this
2-53 Act takes effect September 1, 2009.

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