

By: Darby

H.B. No. 1327

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a grant program to defray the cost of constructing a new health facility in a rural county.

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

SECTION 1. Section 403.1065(c), Government Code, is amended to read as follows:

(c) The available earnings of the fund may be appropriated to the Texas Department of Rural Affairs for the purposes of Subchapter H, Chapter 487, and for the limited purposes provided by Subchapter R, Chapter 487.

SECTION 2. Chapter 487, Government Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. RURAL SAFETY NET HOSPITAL INFRASTRUCTURE PROGRAM

Sec. 487.801. DEFINITIONS. In this subchapter:

(1) "Nonprofit hospital" means a hospital that is:

(A) eligible for tax-exempt bond financing or exempt from state franchise or sales taxes, ad valorem taxes, or other state or local taxes; and

(B) organized as a nonprofit corporation or a charitable trust under the laws of this state or any other state or country.

(2) "Program" means the rural safety net hospital infrastructure program established under this subchapter.

(3) "Public hospital" and "rural county" have the

1 meanings assigned by Section 487.301.

2 Sec. 487.802. POWERS AND DUTIES OF DEPARTMENT. (a) In
3 administering this subchapter, the department may:

4 (1) enter into and enforce contracts and execute and
5 deliver conveyances and other instruments necessary to make and
6 administer grants awarded under this subchapter;

7 (2) impose and collect reasonable fees and charges in
8 connection with grants made under this subchapter and provide
9 reasonable penalties for delinquent payment of fees or charges; and

10 (3) adopt rules necessary to implement the program.

11 (b) The department may use money appropriated to the
12 department under Section 403.1065 as necessary to implement this
13 subchapter. Expenses related to the administration of this
14 subchapter and other continuing expenses under this subchapter may
15 not be paid from money appropriated to the department under that
16 section.

17 Sec. 487.803. PROGRAM. (a) The department may use money
18 appropriated to the department under Section 487.806 to make a
19 grant to a public or nonprofit hospital located in a rural county.

20 (b) A grant recipient may use the money only for the
21 construction of new health facilities.

22 (c) A grant awarded under this subchapter may not exceed the
23 lesser of:

24 (1) 50 percent of the contracted cost for construction
25 of the new health facility; or

26 (2) \$10 million.

27 (d) The department shall require a grantee to provide

1 matching funds equal to or greater than the amount of a grant
2 awarded under this subchapter.

3 (e) A grant applicant may not apply for a grant under this
4 subchapter and for a grant under Subchapter H if the purpose of the
5 application for a grant under Subchapter H is the construction of a
6 new health facility in a rural county.

7 Sec. 487.804. ELIGIBILITY FOR PROGRAM. (a) The department
8 shall adopt rules that establish eligibility criteria for receiving
9 a grant under this subchapter.

10 (b) The rules adopted under this section shall provide that
11 to be eligible to receive a grant under this subchapter a hospital
12 must:

13 (1) be located in a county or hospital district in
14 which the total taxable value of all taxable property is not more
15 than \$750 million, as shown by the most recent certified appraisal
16 tax roll prepared by the appraisal district for the appropriate
17 county or counties;

18 (2) be designated as a critical access hospital under
19 the authority of and in compliance with 42 U.S.C. Section 1395i-4,
20 or as a sole community hospital, as that term is defined by 42
21 U.S.C. Section 1395ww(d)(5)(D)(iii);

22 (3) be located in a facility or facilities where a
23 majority of the total square footage is at least 25 years old; and

24 (4) provide 24-hour emergency care services.

25 (c) The department shall compile and maintain a list of
26 qualifying rural hospitals and the age of the facilities used by
27 those hospitals.

1 Sec. 487.805. GRANT RECIPIENT SELECTION. (a) The
2 department shall establish criteria for prioritizing applicants
3 for a grant under this subchapter.

4 (b) In establishing criteria under this section, the
5 department shall:

6 (1) give first preference to applicants located in a
7 county or hospital district in which the total taxable value of all
8 taxable property is not more than \$250 million, as shown by the most
9 recent certified appraisal tax roll prepared by the appraisal
10 district for the applicable county or counties; and

11 (2) give second preference to applicants with the
12 oldest qualifying health facilities.

13 Sec. 487.806. RURAL SAFETY NET HOSPITAL INFRASTRUCTURE
14 ACCOUNT. (a) The rural safety net hospital infrastructure account
15 is an account in the general revenue fund that may be appropriated
16 only to the department for the purposes and activities authorized
17 by this subchapter and for reasonable administrative expenses under
18 this subchapter.

19 (b) The account consists of:

20 (1) all money appropriated for the purposes of this
21 subchapter;

22 (2) any gifts, grants, or donations received for the
23 purposes of this subchapter; and

24 (3) interest earned on money in the account.

25 (c) The account is exempt from the application of Section
26 403.095.

27 SECTION 3. (a) Not later than September 1, 2012, the Texas

1 Department of Rural Affairs shall compile the information and adopt
2 the rules and eligibility standards required by Subchapter R,
3 Chapter 487, Government Code, as added by this Act.

4 (b) The Texas Department of Rural Affairs may not award a
5 grant under Subchapter R, Chapter 487, Government Code, as added by
6 this Act, before September 1, 2013.

7 SECTION 4. This Act does not make an appropriation. A
8 provision in this Act that creates a new governmental program,
9 creates a new entitlement, or imposes a new duty on a governmental
10 entity is not mandatory during a fiscal period for which the
11 legislature has not made a specific appropriation to implement the
12 provision.

13 SECTION 5. This Act takes effect September 1, 2011.