

By: Hinojosa

S.B. No. 1495

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation of a health care funding district in
3 certain counties located on the Texas-Mexico border; authorizing
4 the imposition of a tax.

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

6 SECTION 1. Section 288.001(3), Health and Safety Code, is
7 amended to read as follows:

8 (3) "District taxpayer" means an institutional health
9 care provider required to pay the ~~[a person or entity who has paid~~
10 ~~a] tax imposed by~~ under this chapter.

11 SECTION 2. Subchapter A, Chapter 288, Health and Safety
12 Code, is amended by adding Section 288.0031 to read as follows:

13 Sec. 288.0031. DISSOLUTION. A district created by this
14 chapter may be dissolved in the manner provided for the dissolution
15 of a hospital district under Subchapter E, Chapter 286.

16 SECTION 3. Section 288.051, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 288.051. COMMISSION ~~[, APPOINTMENT]~~. (a) Each
19 district is governed by a commission of five members ~~[appointed as~~
20 ~~provided by this section]~~.

21 (b) Each county commissioner on the commissioners court of
22 the county in which the district is located serves as a member of
23 ~~[shall appoint one member who meets the qualifications prescribed~~
24 ~~by Section 288.052 to serve on]~~ the commission. The county judge of

1 the county in which the district is located serves as a member of
2 ~~[shall appoint any remaining members who meet the qualifications~~
3 ~~prescribed by Section 288.052 to serve on]~~ the commission.

4 (c) Service on the commission by a county commissioner or
5 county judge is an additional duty of that person's office.

6 (d) The county judge shall serve as the commission's chair.

7 SECTION 4. Section 288.102(a), Health and Safety Code, is
8 amended to read as follows:

9 (a) A district may not impose any tax authorized by this
10 chapter~~[, spend any money, including for the administrative~~
11 ~~expenses of the district, or conduct any other business of the~~
12 ~~commission]~~ without an affirmative vote of a majority of the
13 members of the commission.

14 SECTION 5. Section 288.151, Health and Safety Code, is
15 amended to read as follows:

16 Sec. 288.151. HEARING [BUDGET]. (a) Each year, the
17 commission shall hold a public hearing on ~~[prepare a budget for the~~
18 ~~following fiscal year that includes:~~

19 ~~[(1) proposed expenditures and disbursements,~~
20 ~~[(2) estimated receipts and collections, and~~
21 ~~[(3)]~~ the rates and amounts of any taxes that the
22 commission intends to impose during the year and how the revenue
23 derived from those taxes is to be spent.

24 (b) ~~[The commission shall hold a public hearing on the~~
25 ~~proposed budget.]~~ Not later than the 10th day before the date of
26 the hearing, the commission shall publish at least once notice of
27 the hearing in a newspaper of general circulation in the county in

1 which the district is located.

2 (c) Any district taxpayer is entitled to appear at the time
3 and place designated in the public notice and to be heard regarding
4 any matter related to the taxes imposed by the district [~~item shown~~
5 ~~in the proposed budget~~].

6 SECTION 6. Section 288.154(b), Health and Safety Code, is
7 amended to read as follows:

8 (b) All income received by a district, including tax revenue
9 after deducting discounts and fees for assessing and collecting the
10 taxes, shall be deposited with the district depository as provided
11 by Section 288.203 and may be withdrawn only as provided by this
12 chapter.

13 SECTION 7. Subchapter D, Chapter 288, Health and Safety
14 Code, is amended by adding Sections 288.155 and 288.156 to read as
15 follows:

16 Sec. 288.155. LOCAL PROVIDER PARTICIPATION FUND;
17 AUTHORIZED USES OF MONEY. (a) Each district shall create a local
18 provider participation fund.

19 (b) The local provider participation fund consists of:

20 (1) all revenue from the tax imposed by this chapter,
21 including any penalties and interest from delinquent taxes;

22 (2) money received from the Health and Human Services
23 Commission that is directly related to an intergovernmental
24 transfer from the district to the state for the purpose of providing
25 the nonfederal share of Medicaid supplemental payment program
26 payments; and

27 (3) the earnings of the fund.

1 (c) Money deposited to the local provider participation
2 fund may be used only to:

3 (1) provide the nonfederal share of a Medicaid
4 supplemental payment program;

5 (2) subsidize indigent programs;

6 (3) pay the administrative expenses of the district;

7 (4) refund an amount of tax collected in error from a
8 district taxpayer; and

9 (5) pay to district taxpayers the proportionate share
10 of the money received by the district from the Health and Human
11 Services Commission that is directly related to an
12 intergovernmental transfer from the district to the state for the
13 purpose of providing the nonfederal share of Medicaid supplemental
14 payment program payments to which the district taxpayer is
15 entitled.

16 (d) A commission may use money in the local provider
17 participation fund for the purposes described by Subsection (c)(1)
18 only after the commission receives an assurance from the Health and
19 Human Services Commission that the nonfederal share of Medicaid
20 supplemental payment program payments transferred under that
21 subdivision will be returned to the district.

22 (e) Money in the local provider participation fund may not
23 be used to expand Medicaid eligibility.

24 Sec. 288.156. ALLOCATION OF CERTAIN FUNDS. Not later than
25 the 15th day after the date the district receives a payment
26 described by Section 288.155(c)(5), the district shall transfer to
27 each district taxpayer an amount equal to the proportionate share

1 of those funds to which the taxpayer is entitled.

2 SECTION 8. Section 288.201(a), Health and Safety Code, is
3 amended to read as follows:

4 (a) The commission of a district may impose an annual tax to
5 be assessed quarterly on all outpatient hospital visits to an
6 institutional health care provider located in the district. In the
7 first year in which the tax is imposed, the tax is assessed on the
8 total number of outpatient hospital visits of an institutional
9 health care provider reported to the Department of State Health
10 Services under Sections 311.032 and 311.033 in the fiscal year
11 ending in 2010 [~~2003~~]. The district shall update this tax basis
12 with the number of outpatient hospital visits reported on a
13 biennial basis.

14 SECTION 9. Section 288.202(a), Health and Safety Code, is
15 amended to read as follows:

16 (a) Except as provided by Subsection (b), the county tax
17 assessor-collector shall collect a tax imposed under this
18 subchapter [~~unless the commission employs a tax assessor and~~
19 ~~collector for the district~~]. The county tax assessor-collector
20 shall charge and deduct from taxes collected for the district a fee
21 for collecting the tax in an amount determined by the commission,
22 not to exceed the county tax assessor-collector's usual and
23 customary charges for the collection of similar taxes.

24 SECTION 10. Section 288.203, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 288.203. DEPOSIT [~~USE~~] OF TAX REVENUE. Revenue
27 [~~generated by a district~~] from the [~~a~~] tax imposed by [~~under~~] this

1 chapter shall be deposited in the district's local provider
2 participation fund [~~subchapter may be used only to:~~

3 ~~[(1) provide the nonfederal share of a Medicaid~~
4 ~~supplemental payment program,~~

5 ~~[(2) subsidize indigent programs, and~~

6 ~~[(3) pay administrative expenses of the district].~~

7 SECTION 11. Sections 288.003, 288.004, 288.052, 288.053,
8 288.054, 288.055, 288.056, 288.057, 288.058, 288.103, 288.104(b),
9 288.105, 288.107, 288.153, and 288.206, Health and Safety Code, are
10 repealed.

11 SECTION 12. If before implementing any provision of this
12 Act a state agency determines that a waiver or authorization from a
13 federal agency is necessary for implementation of that provision,
14 the agency affected by the provision shall request the waiver or
15 authorization and may delay implementing that provision until the
16 waiver or authorization is granted.

17 SECTION 13. This Act takes effect September 1, 2013.