

By: Hinojosa

S.B. No. 1623

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of health care funding districts 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. The heading to Chapter 288, Health and Safety  
7 Code, is amended to read as follows:

8 CHAPTER 288. HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES  
9 LOCATED ON TEXAS-MEXICO BORDER [~~THAT ARE ADJACENT TO COUNTIES WITH~~  
10 ~~POPULATION OF 50,000 OR MORE~~]

11 SECTION 2. Subdivision (3), Section 288.001, Health and  
12 Safety Code, is amended to read as follows:

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

16 SECTION 3. Section 288.002, Health and Safety Code, is  
17 amended to read as follows:

18 Sec. 288.002. CREATION OF DISTRICT. A district is created  
19 in each county located on the Texas-Mexico border that has a  
20 population of:

21 (1) 500,000 or more and is adjacent to two or more  
22 counties each of which has a population of 50,000 or more;

23 (2) 350,000 or more and is adjacent to a county  
24 described by Subdivision (1); or

1           (3) less than 300,000 and contains one or more  
2 municipalities with a population of 200,000 or more.

3           SECTION 4. Subchapter A, Chapter 288, Health and Safety  
4 Code, is amended by adding Section 288.0031 to read as follows:

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

8           SECTION 5. Section 288.051, Health and Safety Code, is  
9 amended to read as follows:

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

13           (b) Each county commissioner on the commissioners court of  
14 the county in which the district is located serves as a member of  
15 [~~shall appoint one member who meets the qualifications prescribed~~  
16 ~~by Section 288.052 to serve on~~] the commission. The county judge of  
17 the county in which the district is located serves as a member of  
18 [~~shall appoint any remaining members who meet the qualifications~~  
19 ~~prescribed by Section 288.052 to serve on~~] the commission.

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

22           SECTION 6. Subsection (a), Section 288.102, Health and  
23 Safety Code, is amended to read as follows:

24           (a) A district may not impose any tax authorized by this  
25 chapter [~~, spend any money, including for the administrative~~  
26 ~~expenses of the district, or conduct any other business of the~~  
27 ~~commission~~] without an affirmative vote of a majority of the

1 members of the commission.

2 SECTION 7. Section 288.151, Health and Safety Code, is  
3 amended to read as follows:

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

7 [~~(1) proposed expenditures and disbursements,~~

8 [~~(2) estimated receipts and collections, and~~

9 [~~(3)] the rates and amounts of any taxes that the~~

10 commission intends to impose during the year and how the revenue  
11 derived from those taxes is to be spent.

12 (b) [~~The commission shall hold a public hearing on the~~  
13 ~~proposed budget.~~] Not later than the 10th day before the date of  
14 the hearing, the commission shall publish at least once notice of  
15 the hearing in a newspaper of general circulation in the county in  
16 which the district is located.

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

21 SECTION 8. Subsection (b), Section 288.154, Health and  
22 Safety Code, is amended to read as follows:

23 (b) All income received by a district, including tax revenue  
24 after deducting discounts and fees for assessing and collecting the  
25 taxes, shall be deposited with the district depository as provided  
26 by Section 288.203 and may be withdrawn only as provided by this  
27 chapter.

1 SECTION 9. Subchapter D, Chapter 288, Health and Safety  
2 Code, is amended by adding Sections 288.155 and 288.156 to read as  
3 follows:

4 Sec. 288.155. LOCAL PROVIDER PARTICIPATION FUND;  
5 AUTHORIZED USES OF MONEY. (a) Each district shall create a local  
6 provider participation fund.

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

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

10 (2) money received from the Health and Human Services  
11 Commission as a refund of an intergovernmental transfer from the  
12 district to the state for the purpose of providing the nonfederal  
13 share of Medicaid supplemental payment program payments, provided  
14 that the intergovernmental transfer does not receive a federal  
15 matching payment; and

16 (3) the earnings of the fund.

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

19 (1) provide the nonfederal share of a Medicaid  
20 supplemental payment program;

21 (2) subsidize indigent programs;

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

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

25 (5) refund to district taxpayers the proportionate  
26 share of the money received by the district from the Health and  
27 Human Services Commission that is not used to fund the nonfederal

1 share of Medicaid supplemental payment program payments.

2 (d) Money in the local provider participation fund may not  
3 be used to expand Medicaid eligibility.

4 (e) A local provider participation fund created under this  
5 section shall be abolished on the expiration of a waiver under  
6 Section 1115 of the federal Social Security Act (42 U.S.C. Section  
7 1315) in connection with the fund.

8 Sec. 288.156. ALLOCATION OF CERTAIN FUNDS. Not later than  
9 the 15th day after the date the district receives a payment  
10 described by Section 288.155(c)(5), the district shall transfer to  
11 each district taxpayer an amount equal to the proportionate share  
12 of those funds to which the taxpayer is entitled.

13 SECTION 10. Subsections (a) and (c), Section 288.201,  
14 Health and Safety Code, are amended to read as follows:

15 (a) The commission of a district may impose an annual tax to  
16 be assessed quarterly on all outpatient hospital visits to an  
17 institutional health care provider located in the district. In the  
18 first year in which the tax is imposed, the tax is assessed on the  
19 total number of outpatient hospital visits of an institutional  
20 health care provider reported to the Department of State Health  
21 Services under Sections 311.032 and 311.033 in the fiscal year  
22 ending in 2010 [~~2003~~]. The district shall update this tax basis  
23 with the number of outpatient hospital visits reported on a  
24 biennial basis.

25 (c) The commission shall set the rate of the tax imposed  
26 under this section. The rate may not exceed the lesser of:

27 (1) \$100 for each outpatient hospital visit; or

1           (2) six percent of the aggregate net patient revenue  
2 of all district taxpayers in the district.

3           SECTION 11. Subsection (a), Section 288.202, Health and  
4 Safety Code, is amended to read as follows:

5           (a) Except as provided by Subsection (b), the county tax  
6 assessor-collector shall collect a tax imposed under this  
7 subchapter [~~unless the commission employs a tax assessor and~~  
8 ~~collector for the district~~]. The county tax assessor-collector  
9 shall charge and deduct from taxes collected for the district a fee  
10 for collecting the tax in an amount determined by the commission,  
11 not to exceed the county tax assessor-collector's usual and  
12 customary charges for the collection of similar taxes.

13           SECTION 12. Section 288.203, Health and Safety Code, is  
14 amended to read as follows:

15           Sec. 288.203. DEPOSIT [~~USE~~] OF TAX REVENUE. Revenue  
16 [~~generated by a district~~] from the [~~a~~] tax imposed by [~~under~~] this  
17 chapter shall be deposited in the district's local provider  
18 participation fund [~~subchapter may be used only to:~~

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

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

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

23           SECTION 13. Sections 288.003, 288.004, 288.052, 288.053,  
24 288.054, 288.055, 288.056, 288.057, 288.058, and 288.103,  
25 Subsection (b), Section 288.104, and Sections 288.105, 288.107,  
26 288.153, and 288.206, Health and Safety Code, are repealed.

27           SECTION 14. If before implementing any provision of this

1 Act a state agency determines that a waiver or authorization from a  
2 federal agency is necessary for implementation of that provision,  
3 the agency affected by the provision shall request the waiver or  
4 authorization and may delay implementing that provision until the  
5 waiver or authorization is granted.

6 SECTION 15. This Act takes effect September 1, 2013.