

By: Hinojosa

S.B. No. 1623

A BILL TO BE ENTITLED

AN ACT

relating to districts in certain counties located on the Texas-Mexico border and amending Chapter 288 of the Health and Safety Code.

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

SECTION 1. The title of Chapter 288, Health and Safety Code, is amended to read as follows:

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

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

(2) "District" means a county ~~[health care funding district created by this chapter]~~ designated by Section 288.002 as a district under this chapter.

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

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

SECTION 4. Section 288.002, Health and Safety Code, is amended to read as follows:

Sec. 288.002. CREATION OF DISTRICT. A district is created in each county located on the Texas-Mexico border that has:

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

4 (2) a population of 50,000 or more and is adjacent to a
5 county described in Subsection 1;

6 (3) a population of less than 300,000 and contains one
7 or more municipalities with a population of 200,000 or more; and

8 (4) a population less than 75,000 and is adjacent to
9 the county described in Subsection 2.

10 SECTION 5. Subchapter A, Chapter 288, Health and Safety
11 Code, is amended by adding Section 288.0031 to read as follows:

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

15 SECTION 6. Section 288.051, Health and Safety Code, is
16 amended to read as follows:

17 Sec. 288.051. [~~COMMISSION ; APPOINTMENT. (a)~~] Each
18 district is governed by a commission, the membership of which is the
19 same as the commissioner's court for the county which comprises the
20 district [~~of five members appointed as provided by this section.~~

21 ~~[(b) Each county commissioner on the commissioners court of~~
22 ~~the county in which the district is located shall appoint one member~~
23 ~~who meets the qualifications prescribed by Section 288.052 to serve~~
24 ~~on the commission. The county judge of the county shall appoint any~~
25 ~~remaining members who meet the qualifications prescribed by Section~~
26 ~~288.052 to serve on the commission].~~

27 SECTION 7. Section 288.102(a), Health and Safety Code, is

1 amended to read as follows:

2 (a) A district may not impose any tax authorized by this
3 chapter~~[, spend any money, including for the administrative~~
4 ~~expenses of the district, or conduct any other business of the~~
5 ~~commission]~~ without an affirmative vote of a majority of the
6 members of the commission.

7 SECTION 8. Section 288.151, Health and Safety Code, is
8 amended to read as follows:

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

- 12 ~~[(1) proposed expenditures and disbursements,~~
13 ~~[(2) estimated receipts and collections, and~~
14 ~~[(3)]~~ the rates and amounts of any taxes that the
15 commission intends to impose during the year and how the revenue
16 derived from those taxes is to be spent.

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

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

26 SECTION 9. Section 288.154(b), Health and Safety Code, is
27 amended to read as follows:

1 (b) All income received by a district, including tax revenue
2 after deducting discounts and fees for assessing and collecting the
3 taxes, shall be deposited with the district depository as provided
4 by Section 288.203 and may be withdrawn only as provided by this
5 chapter.

6 SECTION 10. Subchapter D, Chapter 288, Health and Safety
7 Code, is amended by adding Sections 288.155 and 288.156 to read as
8 follows:

9 Sec. 288.155. LOCAL PROVIDER PARTICIPATION FUND;
10 AUTHORIZED USES OF MONEY. (a) Each district shall create a local
11 provider participation fund.

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

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

15 (2) money received from the Health and Human Services
16 Commission that is directly related to an intergovernmental
17 transfer from the district to the state for the purpose of providing
18 the nonfederal share of Medicaid supplemental payment program
19 payments; and

20 (3) the earnings of the fund.

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

23 (1) provide the nonfederal share of a Medicaid
24 supplemental payment program;

25 (2) subsidize indigent programs;

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

27 (4) refund an amount of tax collected in error from a

1 district taxpayer; and

2 (5) pay to district taxpayers the proportionate share
3 of the money received by the district from the Health and Human
4 Services Commission that is directly related to an
5 intergovernmental transfer from the district to the state for the
6 purpose of providing the nonfederal share of Medicaid supplemental
7 payment program payments to which the district taxpayer is
8 entitled.

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

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

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

22 SECTION 11. Section 288.201(a), Health and Safety Code, is
23 amended to read as follows:

24 (a) The commission of a district may impose an annual tax to
25 be assessed quarterly on all outpatient hospital visits to an
26 institutional health care provider located in the district. In the
27 first year in which the tax is imposed, the tax is assessed on the

1 total number of outpatient hospital visits of an institutional
2 health care provider reported to the Department of State Health
3 Services under Sections 311.032 and 311.033 in the fiscal year
4 ending in 2010 [~~2003~~]. The district shall update this tax basis
5 with the number of outpatient hospital visits reported on a
6 biennial basis.

7 SECTION 12. Section 288.202(a), Health and Safety Code, is
8 amended to read as follows:

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

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

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

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

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

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

27 SECTION 14. Sections 288.003, 288.004, 288.052, 288.053,

1 288.054, 288.055, 288.056, 288.057, 288.058, 288.103, 288.104(b),
2 288.105, 288.107, 288.153, and 288.206, Health and Safety Code, are
3 repealed.

4 SECTION 15. If before implementing any provision of this
5 Act a state agency determines that a waiver or authorization from a
6 federal agency is necessary for implementation of that provision,
7 the agency affected by the provision shall request the waiver or
8 authorization and may delay implementing that provision until the
9 waiver or authorization is granted.

10 SECTION 16. This Act takes effect September 1, 2013.