

1-1 By: Hinojosa S.B. No. 1623  
 1-2 (In the Senate - Filed March 8, 2013; March 20, 2013, read  
 1-3 first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 8, 2013, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 3, Nays 0;  
 1-6 April 8, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hinojosa	X			
1-9 Nichols	X			
1-10 Garcia	X			
1-11 Paxton			X	
1-12 Taylor			X	

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 1623 By: Hinojosa

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to the creation of health care funding districts in  
 1-18 certain counties located on the Texas-Mexico border; authorizing  
 1-19 the imposition of a tax.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. The heading to Chapter 288, Health and Safety  
 1-22 Code, is amended to read as follows:

1-23 CHAPTER 288. HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES  
 1-24 LOCATED ON TEXAS-MEXICO BORDER [~~THAT ARE ADJACENT TO COUNTIES WITH~~  
 1-25 ~~POPULATION OF 50,000 OR MORE~~]

1-26 SECTION 2. Subdivision (3), Section 288.001, Health and  
 1-27 Safety Code, is amended to read as follows:

1-28 (3) "District taxpayer" means an institutional health  
 1-29 care provider required to pay the [a person or entity who has paid  
 1-30 a] tax imposed by [under] this chapter.

1-31 SECTION 3. Section 288.002, Health and Safety Code, is  
 1-32 amended to read as follows:

1-33 Sec. 288.002. CREATION OF DISTRICT. A district is created  
 1-34 in each county located on the Texas-Mexico border that has a  
 1-35 population of:

1-36 (1) 500,000 or more and is adjacent to two or more  
 1-37 counties each of which has a population of 50,000 or more;

1-38 (2) 350,000 or more and is adjacent to a county  
 1-39 described by Subdivision (1); or

1-40 (3) less than 300,000 and contains one or more  
 1-41 municipalities with a population of 200,000 or more.

1-42 SECTION 4. Subchapter A, Chapter 288, Health and Safety  
 1-43 Code, is amended by adding Section 288.0031 to read as follows:

1-44 Sec. 288.0031. DISSOLUTION. A district created by this  
 1-45 chapter may be dissolved in the manner provided for the dissolution  
 1-46 of a hospital district under Subchapter E, Chapter 286.

1-47 SECTION 5. Section 288.051, Health and Safety Code, is  
 1-48 amended to read as follows:

1-49 Sec. 288.051. COMMISSION[~~, APPOINTMENT~~]. (a) Each  
 1-50 district is governed by a commission of five members [~~appointed as~~  
 1-51 ~~provided by this section~~].

1-52 (b) Each county commissioner on the commissioners court of  
 1-53 the county in which the district is located serves as a member of  
 1-54 [shall appoint one member who meets the qualifications prescribed  
 1-55 by Section 288.052 to serve on] the commission. The county judge of  
 1-56 the county in which the district is located serves as a member of  
 1-57 [shall appoint any remaining members who meet the qualifications  
 1-58 prescribed by Section 288.052 to serve on] the commission.

1-59 (c) Service on the commission by a county commissioner or  
 1-60 county judge is an additional duty of that person's office.

2-1 SECTION 6. Subsection (a), Section 288.102, Health and  
2-2 Safety Code, is amended to read as follows:

2-3 (a) A district may not impose any tax authorized by this  
2-4 chapter~~[, spend any money, including for the administrative~~  
2-5 ~~expenses of the district, or conduct any other business of the~~  
2-6 ~~commission]~~ without an affirmative vote of a majority of the  
2-7 members of the commission.

2-8 SECTION 7. Section 288.151, Health and Safety Code, is  
2-9 amended to read as follows:

2-10 Sec. 288.151. HEARING [BUDGET]. (a) Each year, the  
2-11 commission shall hold a public hearing on [prepare a budget for the  
2-12 following fiscal year that includes:

- 2-13 ~~[(1) proposed expenditures and disbursements,~~
- 2-14 ~~[(2) estimated receipts and collections; and~~
- 2-15 ~~[(3)]~~ the rates and amounts of any taxes that the  
2-16 commission intends to impose during the year and how the revenue  
2-17 derived from those taxes is to be spent.

2-18 (b) ~~[The commission shall hold a public hearing on the~~  
2-19 ~~proposed budget.]~~ Not later than the 10th day before the date of  
2-20 the hearing, the commission shall publish at least once notice of  
2-21 the hearing in a newspaper of general circulation in the county in  
2-22 which the district is located.

2-23 (c) Any district taxpayer is entitled to appear at the time  
2-24 and place designated in the public notice and to be heard regarding  
2-25 any matter related to the taxes imposed by the district ~~[item shown~~  
2-26 ~~in the proposed budget].~~

2-27 SECTION 8. Subsection (b), Section 288.154, Health and  
2-28 Safety Code, is amended to read as follows:

2-29 (b) All income received by a district, including tax revenue  
2-30 after deducting discounts and fees for assessing and collecting the  
2-31 taxes, shall be deposited with the district depository as provided  
2-32 by Section 288.203 and may be withdrawn only as provided by this  
2-33 chapter.

2-34 SECTION 9. Subchapter D, Chapter 288, Health and Safety  
2-35 Code, is amended by adding Sections 288.155 and 288.156 to read as  
2-36 follows:

2-37 Sec. 288.155. LOCAL PROVIDER PARTICIPATION FUND;  
2-38 AUTHORIZED USES OF MONEY. (a) Each district shall create a local  
2-39 provider participation fund.

2-40 (b) The local provider participation fund consists of:

- 2-41 (1) all revenue from the tax imposed by this chapter,  
2-42 including any penalties and interest from delinquent taxes;
- 2-43 (2) money received from the Health and Human Services  
2-44 Commission as a refund of an intergovernmental transfer from the  
2-45 district to the state for the purpose of providing the nonfederal  
2-46 share of Medicaid supplemental payment program payments, provided  
2-47 that the intergovernmental transfer does not receive a federal  
2-48 matching payment; and
- 2-49 (3) the earnings of the fund.

2-50 (c) Money deposited to the local provider participation  
2-51 fund may be used only to:

- 2-52 (1) provide the nonfederal share of a Medicaid  
2-53 supplemental payment program;
- 2-54 (2) subsidize indigent programs;
- 2-55 (3) pay the administrative expenses of the district;
- 2-56 (4) refund an amount of tax collected in error from a  
2-57 district taxpayer; and
- 2-58 (5) refund to district taxpayers the proportionate  
2-59 share of the money received by the district from the Health and  
2-60 Human Services Commission that is not used to fund the nonfederal  
2-61 share of Medicaid supplemental payment program payments.

2-62 (d) Money in the local provider participation fund may not  
2-63 be used to expand Medicaid eligibility.

2-64 Sec. 288.156. ALLOCATION OF CERTAIN FUNDS. Not later than  
2-65 the 15th day after the date the district receives a payment  
2-66 described by Section 288.155(c)(5), the district shall transfer to  
2-67 each district taxpayer an amount equal to the proportionate share  
2-68 of those funds to which the taxpayer is entitled.

2-69 SECTION 10. Subsections (a) and (c), Section 288.201,

3-1 Health and Safety Code, are amended to read as follows:  
3-2 (a) The commission of a district may impose an annual tax to  
3-3 be assessed quarterly on all outpatient hospital visits to an  
3-4 institutional health care provider located in the district. In the  
3-5 first year in which the tax is imposed, the tax is assessed on the  
3-6 total number of outpatient hospital visits of an institutional  
3-7 health care provider reported to the Department of State Health  
3-8 Services under Sections 311.032 and 311.033 in the fiscal year  
3-9 ending in 2010 [~~2003~~]. The district shall update this tax basis  
3-10 with the number of outpatient hospital visits reported on a  
3-11 biennial basis.

3-12 (c) The commission shall set the rate of the tax imposed  
3-13 under this section. The rate may not exceed the lesser of:

- 3-14 (1) \$100 for each outpatient hospital visit; or
- 3-15 (2) six percent of the aggregate net patient revenue  
3-16 of all district taxpayers in the district.

3-17 SECTION 11. Subsection (a), Section 288.202, Health and  
3-18 Safety Code, is amended to read as follows:

3-19 (a) Except as provided by Subsection (b), the county tax  
3-20 assessor-collector shall collect a tax imposed under this  
3-21 subchapter [~~unless the commission employs a tax assessor and~~  
3-22 ~~collector for the district~~]. The county tax assessor-collector  
3-23 shall charge and deduct from taxes collected for the district a fee  
3-24 for collecting the tax in an amount determined by the commission,  
3-25 not to exceed the county tax assessor-collector's usual and  
3-26 customary charges for the collection of similar taxes.

3-27 SECTION 12. Section 288.203, Health and Safety Code, is  
3-28 amended to read as follows:

3-29 Sec. 288.203. DEPOSIT [~~USE~~] OF TAX REVENUE. Revenue  
3-30 [~~generated by a district~~] from the [a] tax imposed by [~~under~~] this  
3-31 chapter shall be deposited in the district's local provider  
3-32 participation fund [~~subchapter may be used only to:~~

- 3-33 [~~(1) provide the nonfederal share of a Medicaid~~  
3-34 ~~supplemental payment program;~~
- 3-35 [~~(2) subsidize indigent programs; and~~
- 3-36 [~~(3) pay administrative expenses of the district~~].

3-37 SECTION 13. Sections 288.003, 288.004, 288.052, 288.053,  
3-38 288.054, 288.055, 288.056, 288.057, 288.058, and 288.103,  
3-39 Subsection (b), Section 288.104, and Sections 288.105, 288.107,  
3-40 288.153, and 288.206, Health and Safety Code, are repealed.

3-41 SECTION 14. If before implementing any provision of this  
3-42 Act a state agency determines that a waiver or authorization from a  
3-43 federal agency is necessary for implementation of that provision,  
3-44 the agency affected by the provision shall request the waiver or  
3-45 authorization and may delay implementing that provision until the  
3-46 waiver or authorization is granted.

3-47 SECTION 15. This Act takes effect September 1, 2013.

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