

SENATE AMENDMENTS

2nd Printing

By: Coleman

H.B. No. 3793

A BILL TO BE ENTITLED

AN ACT

relating to powers, duties, and services of counties and entities
serving counties.

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

SECTION 1. Section 25.0005(c), Government Code, is amended
to read as follows:

(c) The salary shall be paid in:

(1) equal monthly installments; or

(2) equal biweekly installments if authorized by the
commissioners court.

SECTION 2. Section 31.004, Government Code, is amended to
read as follows:

Sec. 31.004. EQUAL ~~[MONTHLY]~~ INSTALLMENTS. The
compensation authorized by this chapter shall be paid in:

(1) equal monthly installments; or

(2) equal biweekly installments if authorized by the
commissioners courts in the counties of the court of appeals
district.

SECTION 3. Section 32.001(b), Government Code, is amended
to read as follows:

(b) The compensation shall be paid ~~[in monthly
installments]~~ from the county general fund or other available funds
of the county in:

(1) monthly installments; or

1 (2) biweekly installments if authorized by the
2 commissioners court.

3 SECTION 4. Section 43.180(e), Government Code, is amended
4 to read as follows:

5 (e) The Commissioners Court of Harris County shall pay the
6 district attorney a salary of not less than \$35,000 a year. The
7 county salary shall be paid in equal biweekly [~~monthly~~]
8 installments.

9 SECTION 5. Section 61.036, Health and Safety Code, is
10 amended by adding Subsections (d) and (e) to read as follows:

11 (d) Regardless of the application, documentation, and
12 verification procedures or eligibility standards established by
13 the department under Subchapter A, a county may credit an
14 intergovernmental transfer to the state toward eligibility for
15 state assistance if the transfer was made:

16 (1) to provide health care services as part of a waiver
17 program under 42 U.S.C. Section 1315 or 1396n; or

18 (2) as part of the state plan for disproportionate
19 share hospitals under 42 U.S.C. Section 1396r-4 or 1 T.A.C. Section
20 355.8065.

21 (e) A county may not credit toward eligibility for state
22 assistance any intergovernmental transfer made under Subsection
23 (d)(1) or (2) that, separately or in combination, exceeds six
24 percent of the county's general revenue levy in any state fiscal
25 year.

26 SECTION 6. Section 152.904(e), Local Government Code, is
27 amended to read as follows:

1 (e) The Commissioners Court of Harris County shall set the
2 annual salary of the county judge at an amount that is not less than
3 \$1,000 more than the total annual salary received by county
4 criminal court at law judges in the county. The salary shall be
5 paid in [~~12~~] equal biweekly [~~monthly~~] installments.

6 SECTION 7. Section 209.004, Property Code, is amended by
7 adding Subsection (a-1) to read as follows:

8 (a-1) The county clerk of each county in which a management
9 certificate is filed as required by this section shall record the
10 management certificate in the real property records of the county
11 and index the document as a "Property Owners' Association
12 Management Certificate."

13 SECTION 8. (a) The change in law made by this Act to Section
14 61.036, Health and Safety Code, applies only to state assistance
15 for health care services under Chapter 61, Health and Safety Code,
16 as amended by this Act, that are delivered on or after the effective
17 date of this Act. State assistance for health care services under
18 Chapter 61, Health and Safety Code, that are delivered before the
19 effective date of this Act is governed by the law as it existed
20 immediately before the effective date of this Act, and that law is
21 continued in effect for that purpose.

22 (b) To ensure that all management certificates are recorded
23 and indexed in accordance with Section 209.004(a-1), Property Code,
24 as added by this Act, on or after September 1, 2013, and not later
25 than January 1, 2014, each property owners' association that is
26 subject to Section 209.004, Property Code, immediately before
27 September 1, 2013, shall file the association's management

1 certificate under that section, regardless of whether the
2 association filed a management certificate before September 1,
3 2013. This section does not affect the time in which a property
4 owners' association is required to file the association's
5 management certificate under Section 209.004, Property Code, as
6 amended by this Act, if the association's initial duty to file the
7 management certificate arises on or after September 1, 2013.

8 SECTION 9. This Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

By: *Rep. Coleman*
J. J. King
Substitute the following for ____ .B. No. ____ :
By: *J. J. King*

Atty Gen
Secretary of the Senate
____ .B. No. ____

C.S. H.B. No. 3793

A BILL TO BE ENTITLED

1 AN ACT <EOH>
2 relating to powers, duties, and services of entities serving
3 counties.

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

5 SECTION 1. The heading to Chapter 288, Health and Safety
6 Code, is amended to read as follows:

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

10 SECTION 2. Sections 288.001(2) and (3), Health and Safety
11 Code, are amended to read as follows:

12 (2) "District" means a county health care funding
13 district created under [~~by~~] this chapter.

14 (3) "Paying hospital [~~District taxpayer~~]" means an
15 institutional health care provider required to make a mandatory
16 payment [~~a person or entity who has paid a tax imposed~~] under
17 this chapter.

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

20 Sec. 288.002. CREATION OF DISTRICT. A district may be
21 [~~is~~] created by order of the commissioners court of [~~in~~] each
22 county located on the Texas-Mexico border that has a population
23 of:

24 (1) 500,000 or more and is adjacent to two or more

1 counties each of which has a population of 50,000 or more;

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

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

6 SECTION 4. Subchapter A, Chapter 288, Health and Safety
7 Code, is amended by adding Sections 288.0031 and 288.0032 to
8 read as follows:

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

13 Sec. 288.0032. EXPIRATION OF CHAPTER; DISTRIBUTION OF
14 FUNDS ON EXPIRATION. (a) A district created under this chapter
15 is abolished and this chapter expires on December 31, 2016.

16 (b) The commissioners court of a county in which a
17 district is created shall refund to each paying hospital the
18 proportionate share of any money remaining in the local provider
19 participation fund created by the district under Section 288.155
20 at the time the district is abolished.

21 SECTION 5. The heading to Section 288.051, Health and
22 Safety Code, is amended to read as follows:

23 Sec. 288.051. COMMISSION; DISTRICT GOVERNANCE
24 [APPOINTMENT].

25 SECTION 6. Section 288.051, Health and Safety Code, is
26 amended by amending Subsection (a) and adding Subsections (c)
27 and (d) to read as follows:

1 (a) Each district created under Section 288.002 is
2 governed by a commission consisting of the commissioners court
3 of the county in which the district is created [~~of five members~~
4 ~~appointed as provided by this section~~].

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

7 (d) A district is a component of county government and is
8 not a separate political subdivision of this state.

9 SECTION 7. Section 288.101, Health and Safety Code, is
10 amended to read as follows:

11 Sec. 288.101. LIMITATION ON [~~TAXING~~] AUTHORITY TO REQUIRE
12 MANDATORY PAYMENT. Each district may require a mandatory
13 payment [~~impose taxes~~] only in the manner provided by this
14 chapter.

15 SECTION 8. Section 288.102, Health and Safety Code, is
16 amended to read as follows:

17 Sec. 288.102. MAJORITY VOTE REQUIRED. (a) A district may
18 not require [~~impose~~] any mandatory payment [~~tax~~] authorized by
19 this chapter, spend any money, including for the administrative
20 expenses of the district, or conduct any other business of the
21 commission without an affirmative vote of a majority of the
22 members of the commission.

23 (b) Before requiring a mandatory payment [~~imposing a tax~~]
24 under this chapter in any one year, the commission must obtain
25 the affirmative vote required by Subsection (a).

26 SECTION 9. Section 288.104(a), Health and Safety Code, is
27 amended to read as follows:

1 (a) The commission may adopt rules governing the operation
2 of the district, including rules relating to the administration
3 of a mandatory payment [~~tax~~] authorized by this chapter.

4 SECTION 10. Section 288.151, Health and Safety Code, is
5 amended to read as follows:

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

9 [(1) ~~proposed expenditures and disbursements;~~

10 [(2) ~~estimated receipts and collections; and~~

11 [(3)] the [~~rates and~~] amounts of any mandatory
12 payments [~~taxes~~] that the commission intends to require [~~impose~~]
13 during the year and how the revenue derived from those payments
14 is to be spent.

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

20 (c) A representative of a paying hospital [~~Any district~~
21 ~~taxpayer~~] is entitled to appear at the time and place designated
22 in the public notice and to be heard regarding any matter
23 related to the mandatory payments required by the district under
24 this chapter [~~item shown in the proposed budget~~].

25 SECTION 11. Section 288.154(b), Health and Safety Code, is
26 amended to read as follows:

27 (b) All income received by a district, including the [~~tax~~]

1 revenue from mandatory payments remaining after [~~deducting~~]
2 discounts and fees for assessing and collecting the payments are
3 deducted [~~taxes~~], shall be deposited with the district
4 depository as provided by Section 288.203 and may be withdrawn
5 only as provided by this chapter.

6 SECTION 12. Subchapter D, Chapter 288, Health and Safety
7 Code, is amended by adding Sections 288.155 and 288.156 to read
8 as follows:

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

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

13 (1) all revenue from the mandatory payment required
14 by this chapter, including any penalties and interest
15 attributable to delinquent payments;

16 (2) money received from the Health and Human Services
17 Commission as a refund of an intergovernmental transfer from the
18 district to the state for the purpose of providing the
19 nonfederal share of Medicaid supplemental payment program
20 payments, provided that the intergovernmental transfer does not
21 receive a federal matching payment; and

22 (3) the earnings of the fund.

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

25 (1) fund intergovernmental transfers from the
26 district to the state to provide the nonfederal share of a
27 Medicaid supplemental payment program authorized under the state

1 Medicaid plan, the Texas Healthcare Transformation and Quality
2 Improvement Program waiver issued under Section 1115 of the
3 federal Social Security Act (42 U.S.C. Section 1315), or a
4 successor waiver program authorizing similar Medicaid
5 supplemental payment programs;

6 (2) subsidize indigent programs;

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

8 (4) refund a portion of a mandatory payment collected
9 in error from a paying hospital; and

10 (5) refund to paying hospitals the proportionate
11 share of the money received by the district from the Health and
12 Human Services Commission that is not used to fund the
13 nonfederal share of Medicaid supplemental payment program
14 payments.

15 (d) Money in the local provider participation fund may not
16 be commingled with other county funds.

17 (e) An intergovernmental transfer of funds described by
18 Subsection (c)(1) and any funds received by the district as a
19 result of an intergovernmental transfer described by that
20 subdivision may not be used by the district, the county in which
21 the district is located, or any other entity to expand Medicaid
22 eligibility under the Patient Protection and Affordable Care Act
23 (Pub. L. No. 111-148) as amended by the Health Care and
24 Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

25 Sec. 288.156. ALLOCATION OF CERTAIN FUNDS. Not later than
26 the 15th day after the date the district receives a payment
27 described by Section 288.155(c)(5), the district shall transfer

1 to each paying hospital an amount equal to the proportionate
2 share of those funds to which the hospital is entitled.

3 SECTION 13. The heading to Subchapter E, Chapter 288,
4 Health and Safety Code, is amended to read as follows:

5 SUBCHAPTER E. MANDATORY PAYMENTS [TAXES]

6 SECTION 14. Section 288.201, Health and Safety Code, is
7 amended to read as follows:

8 Sec. 288.201. MANDATORY PAYMENT BASED [TAX] ON
9 [~~OUTPATIENT~~] HOSPITAL NET PATIENT REVENUE [~~SERVICES~~]. (a)
10 Except as provided by Subsection (e), the [The] commission of a
11 district may require [~~impose~~] an annual mandatory payment [~~tax~~]
12 to be assessed quarterly on the net patient revenue of [~~all~~
13 ~~outpatient hospital visits to~~] an institutional health care
14 provider located in the district. In the first year in which the
15 mandatory payment [~~tax~~] is required [~~imposed~~], the mandatory
16 payment [~~tax~~] is assessed on the net patient revenue [~~total~~
17 ~~number of outpatient hospital visits~~] of an institutional health
18 care provider as determined by the data reported to the
19 Department of State Health Services under Sections 311.032 and
20 311.033 in the fiscal year ending in 2010 [~~2003~~]. The district
21 shall update the amount of the mandatory payment [~~this tax basis~~
22 ~~with the number of outpatient hospital visits reported~~] on a
23 biennial basis.

24 (b) The amount of a mandatory payment required under this
25 chapter must be uniformly proportionate with the amount of net
26 patient revenue generated by each paying hospital. [~~A tax~~
27 ~~imposed under this section must be imposed uniformly on each~~

1 ~~institutional health care provider of outpatient hospital~~
2 ~~services located in the district.]~~ A mandatory payment required
3 ~~[tax imposed]~~ under this section ~~[also]~~ may not hold harmless
4 any institutional health care provider ~~[of outpatient hospital~~
5 ~~services]~~, as required under 42 U.S.C. Section 1396b(w).

6 (c) The commission of a district shall set the amount
7 ~~[rate]~~ of the mandatory payment required ~~[tax imposed]~~ under
8 this section. The amount of the mandatory payment required of
9 each paying hospital ~~[rate]~~ may not exceed an amount that, when
10 added to the amount of the mandatory payments required from all
11 other paying hospitals in the district, equals an amount of
12 revenue that exceeds six percent of the aggregate net patient
13 revenue of all paying hospitals in the district ~~[\$100 for each~~
14 ~~outpatient hospital visit]~~.

15 (d) Subject to the maximum amount ~~[tax rate]~~ prescribed by
16 Subsection (c), the commission shall set the mandatory payments
17 in amounts ~~[rate of the tax at a rate]~~ that in the aggregate
18 will generate sufficient revenue to cover the administrative
19 expenses of the district, to fund the nonfederal share of a
20 Medicaid supplemental payment program, and to pay for indigent
21 programs, except that the amount of ~~[tax]~~ revenue from mandatory
22 payments used for administrative expenses of the district in a
23 year may not exceed the lesser of four percent of the total
24 revenue generated from the mandatory payment ~~[tax]~~ or \$20,000.

25 (e) An institutional health care provider may not add a
26 mandatory payment required ~~[tax imposed]~~ under this section as a
27 surcharge to a patient.

1 SECTION 15. Section 288.202, Health and Safety Code, is
2 amended to read as follows:

3 Sec. 288.202. ASSESSMENT AND COLLECTION OF MANDATORY
4 PAYMENTS [~~TAXES~~]. (a) Except as provided by Subsection (b),
5 the county tax assessor-collector shall collect a mandatory
6 payment required [~~tax imposed~~] under this subchapter [~~unless the~~
7 ~~commission employs a tax assessor and collector for the~~
8 ~~district~~]. The county tax assessor-collector shall charge and
9 deduct from mandatory payments [~~taxes~~] collected for the
10 district a fee for collecting the mandatory payment [~~tax~~] in an
11 amount determined by the commission, not to exceed the county
12 tax assessor-collector's usual and customary charges [~~for the~~
13 ~~collection of similar taxes~~].

14 (b) If determined by the commission to be appropriate, the
15 commission may contract for the assessment and collection of
16 mandatory payments [~~taxes~~] in the manner provided by Title 1,
17 Tax Code, for the assessment and collection of ad valorem taxes.

18 (c) Revenue from a fee charged by a county tax assessor-
19 collector for collecting the mandatory payment [~~tax~~] shall be
20 deposited in the county general fund and, if appropriate, shall
21 be reported as fees of the county tax assessor-collector.

22 SECTION 16. Section 288.203, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 288.203. DEPOSIT [~~USE~~] OF [~~TAX~~] REVENUE FROM
25 MANDATORY PAYMENTS. Revenue [~~generated by a district~~] from the
26 mandatory payment required by [~~a tax imposed under~~] this chapter
27 shall be deposited in the district's local provider

1 participation fund [~~subchapter may be used only to:~~

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

4 [~~(2) subsidize indigent programs; and~~

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

6 SECTION 17. Section 288.204, Health and Safety Code, is
7 amended to read as follows:

8 Sec. 288.204. INTEREST, PENALTIES, AND DISCOUNTS.

9 Interest, penalties, and discounts on mandatory payments
10 required [~~taxes imposed~~] under this subchapter are governed by
11 the law applicable to county ad valorem taxes.

12 SECTION 18. Section 288.205, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 288.205. PURPOSE; CORRECTION OF INVALID PROVISION OR
15 PROCEDURE. (a) The purpose of this chapter is to generate
16 revenue from a mandatory payment required [~~tax imposed~~] by the
17 district to provide the nonfederal share of a Medicaid
18 supplemental payment program.

19 (b) To the extent any provision or procedure under this
20 chapter causes a mandatory payment [~~tax~~] under this chapter to
21 be ineligible for federal matching funds, the district may
22 provide by rule for an alternative provision or procedure that
23 conforms to the requirements of the federal Centers for Medicare
24 and Medicaid Services.

25 SECTION 19. Sections 288.003, 288.004, 288.051(b),
26 288.052, 288.053, 288.054, 288.055, 288.056, 288.057, 288.058,
27 288.103, 288.104(b), 288.105, 288.107, 288.153, and 288.206,

1 Health and Safety Code, are repealed.

2 SECTION 20. If before implementing any provision of
3 Chapter 288, Health and Safety Code, as amended by this Act, a
4 state agency determines that a waiver or authorization from a
5 federal agency is necessary for implementation of that
6 provision, the agency affected by the provision shall request
7 the waiver or authorization and may delay implementing that
8 provision until the waiver or authorization is granted.

9 SECTION 21. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas
12 Constitution. If this Act does not receive the vote necessary
13 for immediate effect, this Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

Satya Snow
Secretary of the Senate

J. J. King
BY: _____

FLOOR AMENDMENT NO. 1

1 Amend H.B. 3793 (senate committee printing) by striking
2 SECTION 1 (page 1, line 20) through SECTION 20 (page 5, line 17)
3 of the bill and renumbering subsequent SECTIONS of the bill
4 accordingly.

ADOPTED

MAY 22 2013

FLOOR AMENDMENT NO. 2

Lacey Spaul
Secretary of the Senate

BY: *J. J. Ariz*

1 Amend H.B. 3793 (senate committee printing) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS to the bill and renumbering
4 subsequent SECTIONS of the bill accordingly:

5 SECTION _____. Subtitle A, Title 3, Special District Local
6 Laws Code, is amended by adding Chapter 1122 to read as follows:

7 CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1122.001. DEFINITIONS. In this chapter:

10 (1) "Board" means the board of directors of the
11 district.

12 (2) "Director" means a member of the board.

13 (3) "District" means the Hidalgo County Hospital
14 District.

15 Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County
16 Hospital District may be created and, if created, operates and
17 is financed as provided by Section 9, Article IX, Texas
18 Constitution, and by this chapter.

19 Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is
20 a public entity performing an essential public function.

21 Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Hidalgo County.

23 Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
24 OBLIGATION. The state may not be obligated for the support or
25 maintenance of the district.

26 Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
27 The legislature may not make a direct appropriation for the
28 construction, maintenance, or improvement of a district

1 facility.

2 SUBCHAPTER A-1. TEMPORARY PROVISIONS

3 Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION.

4 (a) The district may be created and a tax may be authorized
5 only if the creation and the tax are approved by a majority of
6 the registered voters of the territory of the proposed district
7 voting at an election called and held for that purpose.

8 (b) The Hidalgo County Commissioners Court shall order an
9 election for the registered voters of Hidalgo County on the
10 question of creation of the Hidalgo County Hospital District if
11 the commissioners court receives a petition requesting an
12 election that is signed by at least 50 registered voters who are
13 residents of Hidalgo County.

14 (c) The order calling an election under this section must
15 state:

16 (1) the nature of the election, including the
17 proposition that is to appear on the ballot;

18 (2) the date of the election;

19 (3) the hours during which the polls will be open;

20 and

21 (4) the location of the polling places.

22 (d) Section 41.001(a), Election Code, does not apply to an
23 election ordered under this section.

24 (e) The Hidalgo County Commissioners Court shall give
25 notice of an election under this section by publishing a
26 substantial copy of the election order in a newspaper with
27 general circulation in Hidalgo County once a week for two
28 consecutive weeks. The first publication must appear not later
29 than the 30th day before the date set for the election.

30 (f) The ballot for an election under this section must be
31 printed to permit voting for or against the proposition: "The

1 creation of the Hidalgo County Hospital District, providing for
2 the imposition of an ad valorem tax at a rate not to exceed 75
3 cents on each \$100 valuation on all taxable property in the
4 district."

5 (g) The Hidalgo County Commissioners Court shall find that
6 the Hidalgo County Hospital District is created if a majority of
7 the voters voting in the election held under this section favor
8 the creation of the district.

9 Sec. 1122.022. TEMPORARY DIRECTORS. (a) If the creation
10 of the district is approved at the election held under Section
11 1122.021, the Hidalgo County Commissioners Court shall appoint
12 five temporary directors to represent the district at large.

13 (b) Temporary directors serve until the date of the next
14 regular election of directors that occurs after the date of the
15 election held under Section 1122.021 and that allows sufficient
16 time to comply with other requirements of law.

17 (c) A vacancy on the temporary board of directors shall be
18 filled by appointment by the Hidalgo County Commissioners Court.

19 (d) A person must be a qualified voter of the district to
20 serve as a temporary director.

21 (e) An employee of the district may not serve as a
22 temporary director.

23 Sec. 1122.023. TEMPORARY OFFICERS. (a) The temporary
24 board shall elect a president and a vice president from among
25 the temporary directors.

26 (b) The temporary board shall appoint a secretary, who
27 need not be a temporary director.

28 (c) The temporary board shall fill a vacancy in a board
29 office for the remainder of the unexpired term.

30 SUBCHAPTER B. DISTRICT ADMINISTRATION

31 Sec. 1122.051. BOARD ELECTION; TERM. (a) The board

1 consists of five directors elected at large.

2 (b) An election shall be held each year on an authorized
3 uniform election date to elect the appropriate number of
4 directors.

5 (c) Directors serve staggered two-year terms.

6 Sec. 1122.052. NOTICE. Notice of the directors' election
7 shall be published at least once in a newspaper with general
8 circulation in the district in accordance with Section 4.003(a),
9 Election Code.

10 Sec. 1122.053. QUALIFICATION FOR OFFICE. (a) To be
11 eligible to hold office on the board, a person must be:

12 (1) a resident of the district; and

13 (2) a qualified voter.

14 (b) An administrator or an employee of the district may
15 not serve as a director.

16 Sec. 1122.054. DIRECTOR'S BOND. (a) Before assuming the
17 duties of office, each director must execute a bond in the
18 amount of \$5,000 payable to the district and conditioned on the
19 faithful performance of the director's duties.

20 (b) The bond shall be kept in the permanent records of the
21 district.

22 (c) The board may pay for a director's bond with district
23 money.

24 Sec. 1122.055. BOARD VACANCY. If a vacancy occurs in the
25 office of director, the remaining directors shall appoint a
26 director for the remainder of the unexpired term.

27 Sec. 1122.056. OFFICERS. (a) The board shall elect a
28 president and a vice president from among the directors.

29 (b) The board shall appoint a secretary, who need not be a
30 director.

31 (c) Each officer of the board serves a one-year term.

1 (d) The board shall fill a vacancy in a board office for
2 the remainder of the unexpired term.

3 Sec. 1122.057. COMPENSATION; REIMBURSEMENT. A director or
4 officer serves without compensation but may be reimbursed for
5 actual expenses incurred in the performance of official duties.

6 The expenses must be:

7 (1) reported in the district's records; and

8 (2) approved by the board.

9 Sec. 1122.058. VOTING REQUIREMENT. A concurrence of a
10 majority of the directors voting is necessary in matters
11 relating to district business.

12 Sec. 1122.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S
13 BOND. (a) The board may appoint a qualified person as district
14 administrator.

15 (b) The district administrator serves at the will of the
16 board.

17 (c) The district administrator is entitled to compensation
18 determined by the board.

19 (d) Before assuming the duties of district administrator,
20 the administrator must execute a bond payable to the district in
21 an amount not less than \$5,000, as determined by the board,
22 conditioned on the faithful performance of the administrator's
23 duties.

24 (e) The board may pay for the bond with district money.

25 Sec. 1122.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
26 Subject to the limitations prescribed by the board, the district
27 administrator shall:

28 (1) supervise the work and activities of the
29 district; and

30 (2) direct the general affairs of the district.

31 Sec. 1122.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

1 (a) The board may appoint qualified persons as assistant
2 district administrator and attorney for the district.

3 (b) The assistant district administrator and attorney for
4 the district serve at the will of the board.

5 (c) The assistant district administrator and attorney for
6 the district are entitled to compensation determined by the
7 board.

8 Sec. 1122.062. EMPLOYEES. (a) The district may employ
9 nurses, technicians, fiscal agents, accountants, architects,
10 additional attorneys, and other necessary employees.

11 (b) The board may delegate to the district administrator
12 the authority to employ persons for the district.

13 Sec. 1122.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.
14 The board may spend district money, enter into agreements, and
15 take other necessary actions to recruit physicians and other
16 persons to serve as medical staff members or district
17 employees. The actions may include:

18 (1) advertising and marketing;

19 (2) paying travel, recruitment, and relocation
20 expenses;

21 (3) providing a loan or scholarship to a physician or
22 a person currently enrolled in health care education courses at
23 an institution of higher education who contracts to become a
24 medical staff member or district employee; or

25 (4) contracting with a full-time medical student or
26 other student in a health occupation who is enrolled in and in
27 good standing at an accredited medical school, college, or
28 university to pay the student's tuition or other expenses for
29 the consideration of the student agreeing to serve as an
30 employee or independent contractor for the district.

31 Sec. 1122.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

1 The board may:

2 (1) appoint to the medical staff any doctor the board
3 considers necessary for the efficient operation of the district;

4 (2) remove any doctor from the medical staff, after
5 due process, if the board considers the doctor's removal
6 necessary for the efficient operation of the district; and

7 (3) make temporary appointments to the medical staff
8 as the board considers necessary.

9 Sec. 1122.065. RETIREMENT BENEFITS. The board may provide
10 retirement benefits for district employees by:

11 (1) establishing or administering a retirement
12 program; or

13 (2) participating in:

14 (A) the Texas County and District Retirement
15 System; or

16 (B) another statewide retirement system in which
17 the district is eligible to participate.

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has
20 full responsibility for operating hospital facilities and
21 providing medical and hospital care for the district's needy
22 residents.

23 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
24 The board shall manage, control, and administer the hospital
25 system and the money and resources of the district.

26 Sec. 1122.103. RULES. The board may adopt rules
27 governing:

28 (1) the operation of the hospital and hospital
29 system; and

30 (2) the duties, functions, and responsibilities of
31 district staff and employees.

1 Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The
2 board may prescribe:

3 (1) the method of making purchases and expenditures
4 by and for the district; and

5 (2) accounting and control procedures for the
6 district.

7 Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES.

8 (a) The district may operate or provide for the operation of a
9 mobile emergency medical service.

10 (b) The district may operate or provide for home health
11 services, long-term care, skilled nursing care, intermediate
12 nursing care, or hospice care.

13 Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT. (a) The board shall determine:

15 (1) the type, number, and location of buildings
16 required to maintain an adequate hospital system; and

17 (2) the type of equipment necessary for hospital
18 care.

19 (b) The board may:

20 (1) acquire property, facilities, and equipment for
21 the district for use in the hospital system;

22 (2) mortgage or pledge the property, facilities, or
23 equipment as security for payment of the purchase price;

24 (3) sell or otherwise dispose of property,
25 facilities, or equipment for the district; or

26 (4) lease hospital facilities for the district.

27 Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The
28 board may enter into operating or management contracts relating
29 to hospital facilities for the district.

30 Sec. 1122.108. SERVICE CONTRACTS. (a) The board may
31 contract with a public or private hospital, a political

1 subdivision of the state, or a state or federal agency for the
2 district to provide a mobile emergency medical service or other
3 health care services needed to provide for the investigatory or
4 welfare needs of residents of the district.

5 (b) The board may contract with a person to receive or
6 supply the services the board considers necessary for the
7 effective operation of the district.

8 Sec. 1122.109. EMINENT DOMAIN. (a) The district may
9 exercise the power of eminent domain to acquire a fee simple or
10 other interest in property located in district territory if the
11 interest is necessary for the district to exercise the rights or
12 authority conferred by this chapter.

13 (b) The district must exercise the power of eminent domain
14 in the manner provided by Chapter 21, Property Code, except that
15 the district is not required to deposit with the trial court
16 money or a bond as provided by Section 21.021(a), Property Code.

17 (c) In a condemnation proceeding brought by the district,
18 the district is not required to:

19 (1) pay in advance or provide bond or other security
20 for costs in the trial court;

21 (2) provide bond for the issuance of a temporary
22 restraining order or a temporary injunction; or

23 (3) provide a bond for costs or a supersedeas bond on
24 an appeal or petition for review.

25 Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY.
26 In exercising the power of eminent domain, if the board requires
27 relocating, raising, lowering, rerouting, changing the grade, or
28 altering the construction of any railroad, highway, pipeline, or
29 electric transmission and electric distribution, telegraph, or
30 telephone line, conduit, pole, or facility, the district shall
31 pay the actual cost of that activity to provide a comparable

1 replacement, without enhancement of facilities, after deducting
2 the net salvage value derived from the old facility.

3 Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept
4 for the district a gift or endowment to be held in trust for any
5 purpose and under any direction, limitation, or provision in
6 writing by the donor that is consistent with the proper
7 management of the district.

8 Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES.

9 (a) When a person who resides in the district is admitted as a
10 patient to a district facility, the district administrator may
11 have an inquiry made into the financial circumstances of:

12 (1) the patient; and

13 (2) a relative of the patient who is legally
14 responsible for the patient's support.

15 (b) To the extent that the patient or a relative of the
16 patient who is legally responsible for the patient's support
17 cannot pay for care and treatment provided by the district, the
18 district shall supply the care and treatment without charging
19 the patient or the patient's relative.

20 (c) On determining that the patient or a relative legally
21 responsible for the patient's support can pay for all or part of
22 the care and treatment provided by the district, the district
23 administrator shall report that determination to the board, and
24 the board shall issue an order directing the patient or the
25 relative to pay the district a specified amount each week. The
26 amount must be based on the person's ability to pay.

27 (d) The district administrator may collect money owed to
28 the district from the patient's estate or from that of a
29 relative legally responsible for the patient's support in the
30 manner provided by law for the collection of expenses in the
31 last illness of a deceased person.

1 (e) If there is a dispute relating to a person's ability
2 to pay or if the district administrator has any doubt concerning
3 a person's ability to pay, the board shall call witnesses, hear
4 and resolve the question, and issue a final order. The order
5 may be appealed to a district court in any county in which the
6 district is located. The substantial evidence rule applies to
7 an appeal under this subsection.

8 Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board
9 shall require a county, municipality, or public hospital located
10 outside of the district to reimburse the district for the
11 district's care and treatment of a sick or injured person of
12 that county, municipality, or hospital, as provided by Chapter
13 61, Health and Safety Code.

14 (b) The board shall require the sheriff of Hidalgo County
15 to reimburse the district for the district's care and treatment
16 of a person who is confined in a jail facility of Hidalgo County
17 and is not a resident of the district.

18 (c) On behalf of the district, the board may contract with
19 the state or federal government for that government to reimburse
20 the district for treatment of a sick or injured person.

21 Sec. 1122.114. NONPROFIT CORPORATION. (a) The district
22 may create and sponsor a nonprofit corporation under the
23 Business Organizations Code and may contribute money to or
24 solicit money for the corporation.

25 (b) A corporation created under this section may use money
26 contributed by the district only to provide health care or other
27 services the district is authorized to provide under this
28 chapter.

29 (c) The corporation may invest the corporation's money in
30 any manner in which the district may invest the district's
31 money, including investing money as authorized by Chapter 2256,

1 Government Code.

2 (d) The board shall establish controls to ensure that the
3 corporation uses its money as required by this section.

4 Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT
5 PURPOSES. Under the authority granted by Section 52-a, Article
6 III, Texas Constitution, the district may loan or grant money to
7 any person for the development of medical education and research
8 in the district.

9 Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board
10 may sue and be sued on behalf of the district.

11 Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR
12 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a
13 construction contract on the district's behalf.

14 (b) The board may enter into a construction contract only
15 after competitive bidding as provided by Subchapter B, Chapter
16 271, Local Government Code, if the amount of the contract is
17 greater than the amount provided by Section 271.024 of that
18 code.

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1122.151. BUDGET. (a) The district administrator
21 shall prepare a proposed annual budget for the district.

22 (b) The proposed budget must contain a complete financial
23 statement, including a statement of:

24 (1) the outstanding obligations of the district;

25 (2) the amount of cash on hand to the credit of each
26 fund of the district;

27 (3) the amount of money received by the district from
28 all sources during the previous year;

29 (4) the amount of money available to the district
30 from all sources during the ensuing year;

31 (5) the amount of the balances expected at the end of

1 the year in which the budget is being prepared;

2 (6) the estimated amount of revenues and balances
3 available to cover the proposed budget; and

4 (7) the estimated tax rate required.

5 Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET.

6 (a) The board shall hold a public hearing on the proposed
7 budget.

8 (b) The board shall publish notice of the hearing in a
9 newspaper with general circulation in the district not later
10 than the 10th day before the date of the hearing.

11 (c) Any district resident is entitled to be present and
12 participate at the hearing.

13 (d) At the conclusion of the hearing, the board shall
14 adopt a budget by acting on the budget proposed by the district
15 administrator. The board may make a change in the proposed
16 budget that the board determines to be in the interests of the
17 taxpayers.

18 (e) The budget is effective only after adoption by the
19 board.

20 Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is
21 adopted, the budget may be amended on the board's approval.

22 Sec. 1122.154. FISCAL YEAR. (a) The district operates
23 according to a fiscal year established by the board.

24 (b) The fiscal year may not be changed:

25 (1) during a period in which revenue bonds of the
26 district are outstanding; or

27 (2) more than once in a 24-month period.

28 Sec. 1122.155. ANNUAL AUDIT. The board shall have an
29 annual audit made of the financial condition of the district.

30 Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
31 RECORDS. The annual audit and other district records are open

1 to inspection during regular business hours at the principal
2 office of the district.

3 Sec. 1122.157. FINANCIAL REPORT. As soon as practicable
4 after the close of each fiscal year, the district administrator
5 shall prepare for the board a sworn statement of the amount of
6 district money and an account of the disbursement of that money.

7 Sec. 1122.158. SHORT-TERM FINANCING. The district may
8 borrow money through short-term financing.

9 Sec. 1122.159. DEBT LIMITATION. Except as provided by
10 this chapter and Chapter 1207, Government Code, the district may
11 not incur a debt payable from district revenue other than
12 revenue available in the current fiscal year and the immediately
13 following fiscal year of the district.

14 Sec. 1122.160. DEPOSITORY. (a) The board shall select at
15 least one bank to serve as a depository for district money.

16 (b) The board may solicit bids from local financial
17 institutions to determine which institution may serve as a
18 depository for district money.

19 (c) District money, other than money invested as provided
20 by Section 1122.161 and money transmitted to a bank for payment
21 of bonds or obligations issued or assumed by the district, shall
22 be deposited as received with the depository bank and shall
23 remain on deposit. This subsection does not limit the board's
24 power to place part of the district's money on time deposit or
25 to purchase certificates of deposit.

26 Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may
27 invest operating, depreciation, or building reserves only in
28 funds or securities specified by Chapter 2256, Government Code.

29 SUBCHAPTER E. BONDS

30 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by
31 an election, the board may issue and sell general obligation

1 bonds in the name and on the faith and credit of the district
2 to:

3 (1) purchase, construct, acquire, repair, or renovate
4 buildings or improvements;

5 (2) equip buildings or improvements for hospital
6 purposes; or

7 (3) acquire and operate a mobile emergency medical
8 service.

9 Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS.

10 (a) At the time general obligation bonds are issued by the
11 district under Section 1122.201, the board shall impose an ad
12 valorem tax in an amount sufficient to create an interest and
13 sinking fund to pay the principal of and interest on the bonds
14 as the bonds mature.

15 (b) The tax required by this section together with any
16 other tax the district imposes in any year may not exceed the
17 limit approved by the voters at the election authorizing the
18 imposition of taxes.

19 Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The
20 district may issue general obligation bonds only if the bonds
21 are authorized by a majority of the voters voting in an election
22 held for that purpose.

23 (b) The board may order a bond election. The order
24 calling the election must specify:

25 (1) the nature and date of the election;

26 (2) the hours during which the polls will be open;

27 (3) the location of polling places;

28 (4) the amounts of the bonds to be authorized; and

29 (5) the maximum maturity of the bonds.

30 (c) Notice of a bond election must be given as provided by
31 Chapter 1251, Government Code.

1 (d) The board shall declare the results of the election.

2 Sec. 1122.204. REVENUE BONDS. (a) The board may issue
3 revenue bonds to:

4 (1) acquire, purchase, construct, repair, renovate,
5 or equip buildings or improvements for hospital purposes;

6 (2) acquire sites to be used for hospital purposes;
7 or

8 (3) acquire and operate a mobile emergency medical
9 service to assist the district in carrying out its hospital
10 purposes.

11 (b) The bonds must be payable from and secured by a pledge
12 of all or part of the revenues derived from the operation of the
13 district's hospital system.

14 (c) The bonds may be additionally secured by a mortgage or
15 deed of trust lien on all or part of the district property.

16 (d) The bonds must be issued in the manner provided by
17 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and
18 264.049, Health and Safety Code, for issuance of revenue bonds
19 by county hospital authorities.

20 Sec. 1122.205. MATURITY. District bonds must mature not
21 later than 40 years after the date of their issuance.

22 Sec. 1122.206. EXECUTION OF BONDS. (a) The board
23 president shall execute district bonds in the district's name.

24 (b) The board secretary shall countersign the bonds in the
25 manner provided by Chapter 618, Government Code.

26 Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The
27 following are not subject to taxation by the state or by a
28 political subdivision of the state:

29 (1) bonds issued by the district;

30 (2) any transaction relating to the bonds; and

31 (3) profits made in the sale of the bonds.

1 SUBCHAPTER F. AD VALOREM TAX

2 Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The
3 board shall impose a tax on all property in the district subject
4 to hospital district taxation.

5 (b) The tax may be used to pay:

6 (1) indebtedness issued or assumed by the district;

7 and

8 (2) the maintenance and operating expenses of the
9 district.

10 (c) The district may not impose a tax to pay the principal
11 of or interest on revenue bonds issued under this chapter.

12 Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable
13 property in the district for all purposes may not exceed 75
14 cents on each \$100 valuation of the property according to the
15 most recent certified tax appraisal roll of the district.

16 (b) In setting the tax rate, the board shall consider
17 district income from sources other than taxation.

18 Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may
19 provide for the appointment of a tax assessor-collector for the
20 district or may contract for the assessment and collection of
21 taxes as provided by the Tax Code.

22 SUBCHAPTER G. DISSOLUTION

23 Sec. 1122.301. DISSOLUTION; ELECTION. (a) The district
24 may be dissolved only on approval of a majority of the voters
25 voting in an election held for that purpose.

26 (b) The board may order an election on the question of
27 dissolving the district and disposing of the district's assets
28 and obligations.

29 (c) The board shall order an election if the board
30 receives a petition requesting an election that is signed by at
31 least 15 percent of the district's registered voters.

1 (d) The order calling the election must state:

2 (1) the nature of the election, including the
3 proposition that is to appear on the ballot;

4 (2) the date of the election;

5 (3) the hours during which the polls will be open;

6 and

7 (4) the location of the polling places.

8 (e) Section 41.001(a), Election Code, does not apply to an
9 election ordered under this section.

10 Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall
11 give notice of an election under this subchapter by publishing a
12 substantial copy of the election order in a newspaper with
13 general circulation in the district once a week for two
14 consecutive weeks.

15 (b) The first publication must appear not later than the
16 30th day before the date set for the election.

17 Sec. 1122.303. BALLOT. The ballot for an election under
18 this subchapter must be printed to permit voting for or against
19 the proposition: "The dissolution of the Hidalgo County
20 Hospital District."

21 Sec. 1122.304. ELECTION RESULTS. (a) If a majority of
22 the votes in an election under this subchapter favor
23 dissolution, the board shall order that the district be
24 dissolved.

25 (b) If a majority of the votes in an election under this
26 subchapter do not favor dissolution, the board shall continue to
27 administer the district, and another election on the question of
28 dissolution may not be held before the first anniversary of the
29 date of the most recent election to dissolve the district.

30 Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS.

31 (a) If a majority of the votes in an election under this

1 subchapter favor dissolution, the board shall:

2 (1) transfer the land, buildings, improvements,
3 equipment, and other assets belonging to the district to Hidalgo
4 County or another governmental entity in Hidalgo County; or

5 (2) administer the property, assets, and debts of the
6 district until all money has been disposed of and all district
7 debts have been paid or settled.

8 (b) If the board makes the transfer under Subsection
9 (a)(1), the county or entity assumes all debts and obligations
10 of the district at the time of the transfer and the district is
11 dissolved.

12 (c) If Subsection (a)(1) does not apply and the board
13 administers the property, assets, and debts of the district
14 under Subsection (a)(2), the district is dissolved when all
15 money has been disposed of and all district debts have been paid
16 or settled.

17 Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS
18 TAXES. (a) After the board determines that the district is
19 dissolved, the board shall:

20 (1) determine the debt owed by the district; and

21 (2) impose on the property included in the district's
22 tax rolls a tax that is in proportion of the debt to the
23 property value.

24 (b) On the payment of all outstanding debts and
25 obligations of the district, the board shall order the secretary
26 to return to each district taxpayer the taxpayer's pro rata
27 share of all unused tax money.

28 (c) A taxpayer may request that the taxpayer's share of
29 surplus tax money be credited to the taxpayer's county taxes.
30 If a taxpayer requests the credit, the board shall direct the
31 secretary to transmit the funds to the tax assessor-collector

1 for Hidalgo County.

2 Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the
3 district has paid all its debts and has disposed of all its
4 money and other assets as prescribed by this subchapter, the
5 board shall file a written report with the Hidalgo County
6 Commissioners Court summarizing the board's actions in
7 dissolving the district.

8 (b) Not later than the 10th day after the date the Hidalgo
9 County Commissioners Court receives the report and determines
10 that the requirements of this subchapter have been fulfilled,
11 the commissioners court shall enter an order dissolving the
12 district and releasing the board from any further duty or
13 obligation.

14 SECTION 2. (a) The members of the board of directors of
15 the Hidalgo County Hospital District elected at the first
16 election held under Section 1122.051, Special District Local
17 Laws Code, as added by this Act, shall draw lots to determine
18 which three directors serve a two-year term and which two
19 directors serve a one-year term.

20 (b) Successor directors shall serve two-year terms.

21 SECTION 3. Proof of publication of the notice required in
22 the enactment of this Act under the provisions of Section 9,
23 Article IX, Texas Constitution, has been made in the manner and
24 form provided by law pertaining to the enactment of local and
25 special laws, and the notice is found and declared proper and
26 sufficient to satisfy the requirement.

27 SECTION 4. This Act takes effect immediately if it
28 receives a vote of two-thirds of all the members elected to each
29 house, as provided by Section 39, Article III, Texas
30 Constitution. If this Act does not receive the vote necessary
31 for immediate effect, this Act takes effect September 1, 2013.

ADOPTED

FLOOR AMENDMENT NO. 4

MAY 22 2013

BY: Dewell

Atty Gen
Secretary of the Senate

1 Amend H.B. 3793 (Senate Committee Printing) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION __. Section 61.036, Health and Safety Code, is
5 amended by adding Subsections (d) and (e) to read as follows:

6 (d) Regardless of the application, documentation, and
7 verification procedures or eligibility standards established by
8 the department under Subchapter A, a county may credit an
9 intergovernmental transfer to the state toward eligibility for
10 state assistance if the transfer was made to provide health care
11 services as part of the Texas Healthcare Transformation and
12 Quality Improvement Program waiver issued under 42 U.S.C.
13 Section 1315.

14 (e) A county may credit toward eligibility for state
15 assistance intergovernmental transfers made under Subsection (d)
16 that in the aggregate do not exceed four percent of the county's
17 general revenue levy in any state fiscal year, provided:

18 (1) The commissioners court determines that the
19 expenditure fulfills the county's obligations to provide
20 indigent health care under this chapter;

21 (2) The commissioners court determines that the
22 amount of care available through participation in the waiver is
23 sufficient in type and amount to meet the requirements of this
24 chapter; and

25 (3) The county receives periodic reports from health
26 care providers that receive supplemental or incentive payments
27 under the Texas Healthcare Transformation and Quality
28 Improvement Program waiver that document the number and types of
29 services provided to persons who are eligible to receive

1 services under this chapter.

2 SECTION __. Not later than December 1, 2014, the Department
3 of State Health Services shall submit a report to the governor,
4 the lieutenant governor, and the speaker of the house of
5 representatives on the effects of the provisions of Section
6 61.036 (d) and (e), as added by this Act, on services rendered
7 to eligible residents.

8 SECTION __. (a) The change in law made by this Act to
9 Section 61.036, Health and Safety Code, applies only to state
10 assistance for health care services under Chapter 61, Health and
11 Safety Code, as amended by this Act, that are delivered on or
12 after the effective date of this Act.

13 (b) State assistance for health care services under
14 Chapter 61, Health and Safety Code, that are delivered before
15 the effective date of this Act is governed by the law as it
16 existed immediately before the effective date of this Act, and
17 that law is continued in effect for that purpose.

ADOPTED

MAY 22 2013

FLOOR AMENDMENT NO. 5

BY: *P. Christy*

Atay Sew
Secretary of the Senate

1 Amend H.B. No. 3793 by adding the following appropriately
2 numbered SECTIONS to the bill and renumbering subsequent SECTIONS
3 of the bill accordingly:

4 SECTION ____ . Subchapter B, Chapter 533, Health and Safety
5 Code, is amended by adding Sections 533.051 and 533.052 to read as
6 follows:

7 Sec. 533.051. DEVELOPMENT OF A PLAN FOR THE ALLOCATION OF
8 OUTPATIENT MENTAL HEALTH SERVICES AND BEDS IN STATE HOSPITALS. (a)

9 The department, in conjunction with the commission, shall develop
10 a plan for the proper and separate allocation of outpatient or
11 community-based mental health services provided by secure and
12 nonsecure outpatient facilities that provide residential care
13 alternatives and mental health services and for the proper and
14 separate allocation of beds in the state hospitals for the
15 following two groups of patients:

16 (1) patients who are voluntarily receiving outpatient or
17 community-based mental health services, voluntarily admitted to a
18 state hospital under Chapter 572, admitted to a state hospital for
19 emergency detention under Chapter 573, or ordered by a court under
20 Chapter 574 to receive inpatient mental health services at a state
21 hospital or outpatient mental health services from an outpatient
22 facility that provides residential care alternatives and mental
23 health services; and

24 (2) patients who are ordered to participate in an
25 outpatient treatment program to attain competency to stand trial
26 under Chapter 46B, Code of Criminal Procedure, or committed to a

1 state hospital or other facility to attain competency to stand
2 trial under Chapter 46B, Code of Criminal Procedure, or to receive
3 inpatient mental health services following an acquittal by reason
4 of insanity under Chapter 46C, Code of Criminal Procedure.

5 (b) The plan developed by the department under Subsection (a)
6 must include:

7 (1) a determination of the needs for outpatient mental
8 health services of the two groups of patients described by
9 Subsection (a);

10 (2) a determination of the minimum number of beds that
11 the state hospital system must maintain to adequately serve the two
12 groups of patients;

13 (3) a statewide plan for the allocation of sufficient
14 funds for meeting the outpatient mental health service needs of and
15 for the maintenance of beds by the state hospitals for the two
16 groups of patients;

17 (4) a process to address and develop, without adverse
18 impact to local service areas, the accessibility and availability
19 of sufficient outpatient mental health services provided to and
20 beds provided by the state hospitals to the two groups of patients
21 based on the success of contractual outcomes with a broad base of
22 local community outpatient mental health service providers and
23 inpatient mental health facilities; and

24 (5) guidelines for use by the department and mental
25 health service providers who contract with the department in
26 determining what constitutes the timely delivery of services.

27 (c) To assist in the development of the plan under Subsection
28 (a), the department shall establish and meet at least monthly with
29 an advisory panel composed of the following persons:

- 1 (1) one representative designated by the Texas
2 Department of Criminal Justice;
- 3 (2) one representative designated by the Texas
4 Association of Counties;
- 5 (3) two representatives designated by the Texas Council
6 of Community Centers, including one representative of an urban
7 local service area and one representative of a rural local service
8 area;
- 9 (4) two representatives designated by the County Judges
10 and Commissioners Association of Texas, including one
11 representative who is the presiding judge of a court with
12 jurisdiction over mental health matters;
- 13 (5) one representative designated by the Sheriffs'
14 Association of Texas;
- 15 (6) two representatives designated by the Texas
16 Municipal League, including one representative who is a municipal
17 law enforcement official;
- 18 (7) one representative designated by the Texas
19 Conference of Urban Counties;
- 20 (8) two representatives designated by the Texas Hospital
21 Association, including one representative who is a physician;
- 22 (9) one representative designated by the Texas Catalyst
23 for Empowerment; and
- 24 (10) four representatives designated by the Department
25 of State Health Services' Council for Advising and Planning for the
26 Prevention and Treatment of Mental and Substance Use Disorders,
27 including:
- 28 (A) the chair of the council;
- 29 (B) one representative of the council's members who

1 is a consumer of or advocate for mental health services;
2 (C) one representative of the council's members who
3 is a consumer of or advocate for substance abuse treatment; and
4 (D) one representative of the council's members who
5 is a family member of or advocate for persons with mental health
6 and substance abuse disorders.
7 (d) In developing the plan under Subsection (a), the
8 department and advisory panel shall consider:
9 (1) needs for outpatient mental health services of the
10 two groups of patients described by Subsection (a);
11 (2) the frequency of use of beds and the historical
12 patterns of use of beds in the state hospitals and other facilities
13 by the two groups of patients;
14 (3) local needs and demands for outpatient mental health
15 services by the two groups of patients;
16 (4) local needs and demands for beds in the state
17 hospitals and other facilities for the two groups of patients;
18 (5) the availability of outpatient mental health service
19 providers and inpatient mental health facilities that may be
20 contracted with to provide outpatient mental health services and
21 beds for the two groups of patients;
22 (6) the differences between the two groups of patients
23 with regard to:
24 (A) admission to and discharge from a state
25 hospital or outpatient facility;
26 (B) rapid stabilization and discharge to the
27 community;
28 (C) length of stay in a state hospital or
29 outpatient facility;

1 (D) disputes arising from the determination of a
2 patient's length of stay in a state hospital by a health
3 maintenance organization or a managed care organization;

4 (E) third-party billing; and

5 (F) legal challenges or requirements related to the
6 examination and treatment of the patients; and

7 (7) public input provided to the department or advisory
8 panel in a form and at a time and place that is effective and
9 appropriate and in a manner that complies with any applicable laws,
10 including administrative rules.

11 (e) The department shall update the plan biennially, or more
12 frequently if determined necessary by the executive commissioner or
13 the advisory panel.

14 (f) Not later than June 1, 2014, the department, in
15 conjunction with the advisory panel, shall develop the initial
16 version of the plan required by Subsection (a).

17 Sec. 533.052. INFORMING COURTS OF COMMITMENT OPTIONS. The
18 department shall develop and implement a procedure through which a
19 court that has the authority to commit a person who is incompetent
20 to stand trial or who has been acquitted by reason of insanity
21 under Chapters 46B and 46C, Code of Criminal Procedure, is aware of
22 all of the commitment options for the person, including jail
23 diversion and community-based programs.

ADOPTED

MAY 22 2013

FLOOR AMENDMENT NO. 6

Letty Spaul
Secretary of the Senate

BY:



Amend H.B. No. 3793 (Senate Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ Chapter 1001, Health and Safety Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. MENTAL HEALTH FIRST AID TRAINING

Sec. 1001.201. DEFINITIONS. In this subchapter:

(1) "Educator" means a person who is required to hold a certificate issued under Subchapter B, Chapter 21, Education Code.

(2) "Local mental health authority" has the meaning assigned by Section 531.002 and includes the local behavioral health authority for the NorthSTAR Behavioral Health Program.

(3) "Regional education service center" means a regional education service center established under Chapter 8, Education Code.

Sec. 1001.202. GRANTS FOR TRAINING OF MENTAL HEALTH FIRST AID TRAINERS. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to contract with persons approved by the department to train employees or contractors of the authorities as mental health first aid trainers.

(b) Except as provided by Subsection (c), the department shall make each grant to a local mental health authority under this section in an amount equal to \$1,000 times the number of employees or contractors of the authority whose training as mental health first aid trainers will be paid by the grant.

(c) For each state fiscal year, the total amount the

department may grant to a local mental health authority under this section may not exceed the lesser of \$30,000 or three percent of the funds appropriated to the department for making grants under this section.

(d) The executive commissioner shall adopt rules to establish the requirements for a person to be approved by the department to train employees or contractors of a local mental health authority as mental health first aid trainers. The rules must ensure that a person who is approved by the department is qualified to provide training in:

(1) the potential risk factors and warning signs for various mental illnesses, including depression, anxiety, trauma, psychosis, eating disorders, substance abuse disorders, and self-injury;

(2) the prevalence of various mental illnesses in the United States and the need to reduce the stigma associated with mental illness;

(3) an action plan for use by the employees or contractors that involves the use of skills, resources, and knowledge to assess a situation and develop and implement an appropriate intervention to help an individual experiencing a mental health crisis obtain appropriate professional care; and

(4) the evidence-based professional, peer, social, and self-help resources available to help individuals with mental illness.

(e) Two or more local mental health authorities may collaborate and share resources to provide training for employees or contractors of the authorities under this section.

Sec. 1001.203. GRANTS FOR TRAINING CERTAIN EDUCATORS IN

MENTAL HEALTH FIRST AID. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to provide an approved mental health first aid training program, administered by mental health first aid trainers, at no cost to educators.

(b) For each state fiscal year, the total amount the department may grant to a local mental health authority under this section may not exceed the lesser of \$40,000 or three percent of the funds appropriated to the department for making grants under this section.

(c) Subject to the limit provided by Subsection (b), out of the funds appropriated to the department for making grants under this section, the department shall grant \$100 to a local mental health authority for each educator who successfully completes a mental health first aid training program provided by the authority under this section.

(d) A mental health first aid training program provided by a local mental health authority under this section must:

(1) be conducted by a person trained as a mental health first aid trainer;

(2) provide participants with the skills necessary to help an individual experiencing a mental health crisis until the individual is able to obtain appropriate professional care; and

(3) include:

(A) instruction in a five-step strategy for helping an individual experiencing a mental health crisis, including assessing risk, listening respectfully to and supporting the individual, and identifying professional help and other supports for the individual;

(B) an introduction to the risk factors and warning signs for mental illness and substance abuse problems;

(C) experiential activities to increase participants' understanding of the impact of mental illness on individuals and families; and

(D) a presentation of evidence-supported treatment and self-help strategies.

(e) A local mental health authority may contract with a regional education service center to provide a mental health first aid training program to educators under this section.

(f) Two or more local mental health authorities may collaborate and share resources to develop and operate a mental health first aid training program under this section.

Sec. 1001.204. PLANS FOR MENTAL HEALTH FIRST AID TRAINING PROGRAMS. (a) Not later than October 1 of each state fiscal year for which a local mental health authority will seek a grant from the department under Section 1001.203, the authority shall submit to the department a plan demonstrating the manner in which grants made to the authority under that section will be used:

(1) to train individuals in mental health first aid throughout the authority's local service area to maximize the number of children who have direct contact with an individual who has successfully completed a mental health first aid training program provided by the authority;

(2) to meet the greatest needs of the authority's local service area, as identified by the authority; and

(3) to complement existing resources and not duplicate established mental health first aid training efforts.

(b) The department may not make a grant to a local mental

health authority under Section 1001.203 unless the department has evaluated a plan submitted by the authority under this section.

Sec. 1001.205. REPORTS. (a) Not later than July 1 of each year, a local mental health authority shall provide to the department the number of:

(1) employees and contractors of the authority who were trained as mental health first aid trainers under Section 1001.202;

(2) educators who completed a mental health first aid training program offered by the authority under Section 1001.203 during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program offered by the authority during the preceding calendar year.

(b) Not later than August 1 of each year, the department shall compile the information submitted by local mental health authorities as required by Subsection (a) and submit a report to the legislature containing the number of:

(1) authority employees and contractors trained as mental health first aid trainers;

(2) educators who completed a mental health first aid training program provided by an authority during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program provided by an authority during the preceding calendar year.

Sec. 1001.206. LIABILITY. A person who has completed a mental health first aid training program offered by a local mental health authority under this subchapter and who in good faith attempts to assist an individual experiencing a mental health

crisis is not liable in civil damages for an act performed in attempting to assist the individual unless the act is wilfully or wantonly negligent.

SECTION _____. Section 21.054, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board shall adopt rules that allow an educator to fulfill up to 12 hours of continuing education by participating in a mental health first aid training program offered by a local mental health authority under Section 1001.203, Health and Safety Code. The number of hours of continuing education an educator may fulfill under this subsection may not exceed the number of hours the educator actually spends participating in a mental health first aid training program.

SECTION _____. The change in law made by this Act to added Section 1001.206, Health and Safety Code, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (Relating to powers, duties, and services of entities serving counties.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3793, As Passed 2nd House: a negative impact of (\$5,119,645) through the biennium ending August 31, 2015.

There are provisions in the bill, particularly in Amendment 3, that could have a significant cost, but the amounts cannot be determined and are not reflected in the negative impact above.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$2,363,204)
2015	(\$2,756,441)
2016	(\$2,756,441)
2017	(\$2,756,441)
2018	(\$2,756,441)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2014	(\$2,363,204)
2015	(\$2,756,441)
2016	(\$2,756,441)
2017	(\$2,756,441)
2018	(\$2,756,441)

Fiscal Analysis

The bill would amend the Health and Safety Code, relating to powers, duties, and services of entities serving counties. Amendment 1 and 2 would create a new hospital district in Hidalgo County.

Amendment 3 would require local mental health authorities (LMHAs) to provide assessment services, crisis services, and intensive and comprehensive services using disease management practices for an expanded list of disorders and to ensure that adults and children could receive services and would require the Department of State Health Services (DSHS) to ensure that the LMHAs incorporate jail diversion strategies using disease management practices for an expanded list of disorders. The effective date would be January 1, 2014.

Amendment 4 would authorize a county to credit up to four percent of the county's general levy on intergovernmental transfer (IGTs) to the state toward eligibility for state assistance if the transfer was to provide health care services as part of a specified waiver program as defined by the provisions of the bill. Currently, state assistance funds under Section 61.037 direct the Department of State Health Services (DSHS) to distribute funds to counties that provide services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The bill would limit the county's maximum liability for indigent healthcare for eligible residents to eight percent of the county's general levy. The funds are limited to specific services for a specific eligible population whose income is under 50 percent of the federal poverty level.

Amendment 5 would require DSHS to develop a state hospital plan to plan separately for the allocation of beds for civil and forensic patients in the state hospitals. Additionally, the bill creates an advisory panel consisting of 17 persons from a designated list of organizations to assist with developing the plan and requires DSHS to meet with the panel at least monthly. The bill requires DSHS to update the plan at a minimum biennially. DSHS would be required to develop the plan by June 1, 2014. Additionally, the bill would require that DSHS develop and implement a procedure through which a court that has the authority to commit patients in the hospital system is aware of all of the commitment options for the person, including jail diversion and community-based programs.

The last amendment would allow employees of the Local Mental Health Authorities (LMHA), which includes the local behavioral health authority for the NorthSTAR Behavioral Health Program, to be trained on mental health first aid and to serve as trainers for educators. Under the provisions of the bill, if funds are appropriated, the Department of State Health Services (DSHS) shall make grants to an LMHA and NorthSTAR in an amount equal to \$1,000 for each employee or contractor of the LMHA or NorthSTAR whose training as mental health first aid trainers will be paid with the grant. The bill allows LMHAs and NorthSTAR to collaborate together and share resources to provide training. Under the provisions of the bill, DSHS shall establish grants not to exceed the lesser of \$40,000 or three percent of the funds appropriated for this purpose to be provided to LMHAs and NorthSTAR at a rate of \$100 for each educator who successfully completes the training program. The bill requires the LMHAs and NorthSTAR to submit a plan to DSHS for mental health first aid training programs no later than October 1 of each fiscal year. The bill requires the LMHAs and NorthSTAR to provide annually a list of LMHA or NorthSTAR employees trained and a list of educators trained by the LMHA or NorthSTAR. The bill requires DSHS to provide this information in a report to the legislature. The bill requires the State Board of Educator Certification to adopt rules to allow an educator to fulfill up to twelve hours of continuing education by participating in the mental health training program created by the bill.

Unless otherwise specified, the bill would take effect immediately if a two-thirds majority vote in

both houses of the Legislature is received. Otherwise, the bill would take effect on September 1, 2013.

Methodology

DSHS indicates that implementation of Amendments 1, 2, 4, and 5 could be absorbed within existing resources.

The fiscal impact of Amendment 3 cannot be determined at this time due to the lack of information regarding the demand for and cost of the expanded treatment services for the additional covered disorders; however, the cost is likely significant. Health and Safety Code Section 533.001 requires DSIS to provide services first to those persons who are in the priority population, defined in the DSIS strategic plan as adults with schizophrenia, bipolar disorder, or major depressive disorder who have a significant functional impairment. Due to the current prioritization of these groups, it is assumed that additional state costs would be incurred to ensure that the expanded population identified in the bill receives services. Due to a lack of information on the demand for treatment for disorders on the expanded list, this treatment cost is indeterminate but likely significant and a cost to the state.

It is assumed that the cost to provide the grants for the mental health training would be \$30,000 per year for each of the 37 LMHAs and Northstar (38 in all). Additionally, it is assumed that DSHS would be required to provide \$100 per educator trained, to be limited at \$40,000 per year to each of the 37 LMHAs and NorthSTAR to provide training to the educators. It is assumed that the training of the educators will begin during the second quarter of fiscal year 2014. The cost of the grants would be \$2,280,000 in fiscal year 2014 and \$2,660,000 in fiscal year 2015 and each year thereafter. It is assumed for both training programs that there will be high turnover and a refresher requirement every two or three years, therefore the funding need would be level from fiscal year 2015 through fiscal year 2018. Should actual training costs be less, the cost of implementing the provisions of the bill would be less in each year. DSHS anticipates the agency cost to administer the grants would require one FTE at a total cost of \$83,204 in fiscal year 2014 and \$96,441 in fiscal year 2015. The agency can absorb the additional FTE authority within its existing FTE cap. The bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA).

Local Government Impact

The Texas Council of Community Centers was unable to estimate costs to units of local government associated with implementing the provisions of Amendment 3.

Amendment 4 would require local governmental entities that have IGTs would not have to use application, documentation, and verification procedures, or eligibility standards to be eligible for state assistance; therefore, no significant fiscal impact is anticipated. In addition, there could be costs to counties that do not provide IGTs and would be required to go by application processes and eligibility standards to credit their expenditures for state assistance.

Amendment 5 would require DSHS to develop a plan for the allocation of outpatient mental health services and beds in state hospitals. According to the Texas Association of Counties, no significant fiscal impact to counties is anticipated. There is the potential for cost savings to those counties that choose to implement the plan that is developed. However, the extent of those potential savings cannot be estimated at this time.

School districts could experience some administrative costs if educators took part in mental health

first aid training during normal classroom time if the districts were required to hire substitute teachers. These costs would be dependent on when the training program was offered and the number of staff that participates in the training; however, no significant fiscal impact is anticipated with implementing the provisions of the last amendment.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services,
Department of

LBB Staff: UP, KKR, MB, CH, NB, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 17, 2013

TO: Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (relating to powers, duties, and services of entities serving counties.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Health and Safety Code Chapter 288 relating to hospital districts in certain counties located on the Texas-Mexico border. The bill allows such hospital districts to establish a local provider participation fund consisting of mandatory payment revenue, refunds from the Health and Human Services Commission (HHSC) of federally unmatched intergovernmental transfers originally intended to pay the nonfederal share of Medicaid supplemental payments, and the earnings of the fund. The bill authorizes hospital districts to set mandatory payment amounts for each paying hospital at an amount that when added to the mandatory payments of all other paying hospitals in the district does not exceed six percent of aggregate net patient revenue. The bill allows money in the fund to be used to provide the nonfederal share for Medicaid supplemental payments.

The bill specifies that a hospital district established pursuant to the bill is a component of county government and is not a separate political subdivision of the state. The bill provides that Chapter 288 expires and a hospital district created thereunder is abolished December 31, 2016. The bill requires the proportional refund to paying hospitals of any funds remaining in the local provider participation fund at the time of abolishment.

The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received. The bill would repeal numerous existing provisions of the Health and Safety Code Chapter 288. The bill would take effect immediately if receiving a two-thirds vote of each house, otherwise the bill would take effect September 1, 2013.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to HHSC by intergovernmental transfer. The bill's amendments do not contain any implications for state General Revenue funds. It is not anticipated that the bill will result in a fiscal impact to HHSC.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, MH, AM, KKR, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 14, 2013

TO: Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (Relating to powers, duties, and services of counties and entities serving counties.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend sections of the Government Code to provide that statutory county court judges and courts of appeals justices could be paid in equal biweekly installments; and district court judges could be paid in monthly or biweekly installments if authorized by the commissioners court. The Commissioners Court of Harris County would be required to pay the district attorney in equal biweekly installments.

The bill would amend Section 61.036 of the Health and Safety Code to authorize a county to credit an intergovernmental transfer (IGT) for waiver payments granted under Section 1315 or 1396n or as part of the state share for the disproportionate share hospital program. A county may not credit more than six percent of the county's general revenue levy in any state fiscal year.

The bill would amend the Local Government Code to require that the Commissioners Court of Harris County shall pay the county judge in equal biweekly installments.

The bill would amend the Property Code to require the county clerk of each county to record a management certificate in the real property records and index the document as a "Property Owners' Association Management Certificate."

The Office of Court Administration indicated no significant fiscal impact on the state court system is anticipated.

The Health and Human Services Commission (HHSC) indicated the commission would need to process IGTs from the counties and that those costs could be absorbed within existing resources; therefore, no fiscal impact to HHSC is anticipated.

Current statute directs the Department of State Health Services (DSHS) to distribute state assistance funds to counties that provide certain services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The funds are limited to specific services for a specific eligible population whose income is under 50 percent of the federal poverty level.

According to the analysis by DSHS, it is assumed that no additional counties will be eligible for state assistance funds due to no change in Section 61.037 that directs the state to provide funds to counties who provide specific health care services. In Section 61.036 (d), it is assumed that the

methodology for reimbursing counties for state assistance will be based on the same methodology that is currently used. It is also assumed that DSHS will continue to conduct quality assurance eligibility reviews for counties receiving state assistance; and that current DSHS staff will be able to perform functions associated with the provisions of the bill; therefore, no significant fiscal impact is anticipated.

Local Government Impact

There could be costs to a county to modify payroll systems and processes if the commissioners court authorized payments in equal biweekly installments to applicable judges and justices; however, those amounts would vary depending on whether a county chose to change the payment from monthly to biweekly installments. It is assumed that a county would only chose to change the payments if sufficient resources were available.

Local governmental entities that have IGTs would not have to use application, documentation, and verification procedures, or eligibility standards to be eligible for state assistance; therefore, no significant fiscal impact is anticipated. In addition, there could be costs to counties that do not provide IGTs and would be required to go by application processes and eligibility standards to credit their expenditures for state assistance.

Bell County indicated that the county expended its entire 8 percent general revenue tax levy (GRTL) prior to the end of the fiscal year (August 31, 2012). Although eight percent would be the preferred amount toward the county's Indigent Health Care obligation, six percent would be acceptable if no upward change is agreed upon. The assumption is based on the expectation that the county will offer up less than the full eight percent for an estimated maximum of six percent GRTL, but possibly less, and that the amount the county agrees for IGTs will draw down sufficient funds to pay for services for eligible persons in the county Indigent Health Care Program, as well as others who do not qualify for the program, but meet the charity definitions of local hospital providers.

There could be costs to a county clerk that would be required to record a management certificate in the real property records and index the document; however, those amounts would vary depending on current processes and systems used in a county.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 409 Commission on Jail Standards, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: UP, KKR, SD, TP, ES

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 6, 2013

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (relating to powers, duties, and services of counties and entities serving counties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend sections of the Government Code to provide that statutory county court judges and courts of appeals justices could be paid in equal biweekly installments; and district court judges could be paid in monthly or biweekly installments if authorized by the commissioners court. The Commissioners Court of Harris County would be required to pay the district attorney in equal biweekly installments.

The bill would amend Section 61.036 of the Health and Safety Code to authorize a county to credit an intergovernmental transfer (IGT) for waiver payments granted under Section 1315 or 1396n or as part of the state share for the disproportionate share hospital program. A county may not credit more than six percent of the county's general revenue levy in any state fiscal year.

The bill would amend the Local Government Code to require that the Commissioners Court of Harris County shall pay the county judge in equal biweekly installments.

The bill would amend the Property Code to require the county clerk of each county to record a management certificate in the real property records and index the document as a "Property Owners' Association Management Certificate."

The Office of Court Administration indicated no significant fiscal impact on the state court system is anticipated.

The Health and Human Services Commission (HHSC) indicated the commission would need to process IGTs from the counties and that those costs could be absorbed within existing resources; therefore, no fiscal impact to HHSC is anticipated.

Current statute directs the Department of State Health Services (DSHS) to distribute state assistance funds to counties that provide certain services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The funds are limited to specific services for a specific eligible population whose income is under 50 percent of the federal poverty level.

According to the analysis by DSHS, it is assumed that no additional counties will be eligible for state assistance funds due to no change in Section 61.037 that directs the state to provide funds to counties who provide specific health care services. In Section 61.036 (d), it is assumed that the

methodology for reimbursing counties for state assistance will be based on the same methodology that is currently used. It is also assumed that DSHS will continue to conduct quality assurance eligibility reviews for counties receiving state assistance; and that current DSHS staff will be able to perform functions associated with the provisions of the bill; therefore, no significant fiscal impact is anticipated.

Local Government Impact

There could be costs to a county to modify payroll systems and processes if the commissioners court authorized payments in equal biweekly installments to applicable judges and justices; however, those amounts would vary depending on whether a county chose to change the payment from monthly to biweekly installments. It is assumed that a county would only chose to change the payments if sufficient resources were available.

Local governmental entities that have IGTs would not have to use application, documentation, and verification procedures, or eligibility standards to be eligible for state assistance; therefore, no significant fiscal impact is anticipated. In addition, there could be costs to counties that do not provide IGTs and would be required to go by application processes and eligibility standards to credit their expenditures for state assistance.

Bell County indicated that the county expended its entire 8 percent general revenue tax levy (GRTL) prior to the end of the fiscal year (August 31, 2012). Although eight percent would be the preferred amount toward the county's Indigent Health Care obligation, six percent would be acceptable if no upward change is agreed upon. The assumption is based on the expectation that the county will offer up less than the full eight percent for an estimated maximum of six percent GRTL, but possibly less, and that the amount the county agrees for IGTs will draw down sufficient funds to pay for services for eligible persons in the county Indigent Health Care Program, as well as others who do not qualify for the program, but meet the charity definitions of local hospital providers.

There could be costs to a county clerk that would be required to record a management certificate in the real property records and index the document; however, those amounts would vary depending on current processes and systems used in a county.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 409 Commission on Jail Standards, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: UP, KKR, SD, TP, ES

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 2013

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (Relating to county powers, duties, and services; providing penalties; imposing fees.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code to require the Texas Commission on Jail Standards (TCJS) to conduct a study of county jails to investigate the impact homelessness has on the county jail population, and prepare and deliver a report to certain officials.

The bill would require the Health and Human Services Commission (HHSC) to apply for a modification of or amendment to the Medicaid Waiver, if feasible, to leverage the use of county funds to maximize federal matching funds to counties to provide additional funding for indigent health care services. HHSC would be required to solicit input and use intergovernmental transfers and other procedures to maximize federal matching funds.

The bill would amend the Local Government Code regarding the regulatory authority of subdivisions by certain counties and municipalities, and would establish procedures and requirements for land development; building permits and fees; municipal and county ordinance authority; and injunctions. The bill would create a Class C misdemeanor offense for a violation of an ordinance that would be punishable by a fine of not more than \$500. Each county would be required to submit a report to TCJS with the number of confined homeless individuals. The commissioners court of a county with any population could, on petition of the land owners in a proposed district, create a county development district.

The bill would amend Chapter 13 of the Water Code to allow the commissioners court of a county authorized to intervene under Section 13.871, to engage rate consultants or other experts to conduct investigations and represent the governing body, and assist with litigation on water and sewer utility ratemaking procedures. The water and sewer utility would be required to reimburse the governing body or the commissioners court for reasonable costs of services and recover expenses through rates with interest. A regulatory authority would be required to hold a hearing upon receipt of a complaint. A county may intervene in a rate proceeding on behalf of water rate payers in unincorporated areas of the county.

TCJS indicated the costs associated with implementing the provisions of the bill could be reasonably absorbed within current resources.

The bill would require HHSC to apply to amend the Medicaid Texas Healthcare Transformation

and Quality Improvement Program 1115 demonstration waiver. In addition, the Department of State Health Services would need to amend the County Indigent Health Care Program rules, should the waiver amendment be approved. HHSC estimates there would be no significant cost to apply to amend the waiver or to amend rules. To the extent that HHSC is able to maximize federal funds under a waiver program, which is unlikely because individuals receiving indigent care services are not Medicaid clients, there could be significant increased revenues to counties, but there would be no impact to state funds.

Local Government Impact

According to the analysis by HHSC, to the extent that HHSC is able to maximize federal funds under a waiver program, there could be significant increased revenues to counties; however, the amounts would vary by county.

Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 409 Commission on Jail Standards, 529 Health and Human Services Commission

LBB Staff: UP, KKR, SD, TP, ES