

1-1 By: Guerra, et al. (Senate Sponsor - Hinojosa) H.B. No. 1596
 1-2 (In the Senate - Received from the House May 7, 2015;
 1-3 May 7, 2015, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 13, 2015, reported favorably by
 1-5 the following vote: Yeas 6, Nays 0; May 13, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			

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

1-17 relating to the Hidalgo County Healthcare District; decreasing the
 1-18 possible maximum rate of a tax.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. The heading to Chapter 1122, Special District
 1-21 Local Laws Code, is amended to read as follows:

1-22 CHAPTER 1122. HIDALGO COUNTY HEALTHCARE [~~HOSPITAL~~] DISTRICT

1-23 SECTION 2. Section 1122.001(3), Special District Local Laws
 1-24 Code, is amended to read as follows:

1-25 (3) "District" means the Hidalgo County Healthcare
 1-26 [~~Hospital~~] District.

1-27 SECTION 3. Section 1122.002, Special District Local Laws
 1-28 Code, is amended to read as follows:

1-29 Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County
 1-30 Healthcare [~~Hospital~~] District may be created and, if created,
 1-31 operates and is financed as a hospital district as provided by
 1-32 Section 9, Article IX, Texas Constitution, and by this chapter.

1-33 SECTION 4. Sections 1122.021(b), (f), and (g), Special
 1-34 District Local Laws Code, are amended to read as follows:

1-35 (b) The Hidalgo County Commissioners Court shall order an
 1-36 election for the registered voters of Hidalgo County on the
 1-37 question of creation of the Hidalgo County Healthcare [~~Hospital~~]
 1-38 District if the commissioners court receives a petition requesting
 1-39 an election that is signed by at least 50 registered voters who are
 1-40 residents of Hidalgo County.

1-41 (f) The ballot for an election under this section must be
 1-42 printed to permit voting for or against the proposition: "The
 1-43 creation of the Hidalgo County Healthcare [~~Hospital~~] District,
 1-44 providing for the imposition of an ad valorem tax [~~at a rate not to~~
 1-45 ~~exceed 75 cents on each \$100 valuation~~] on all taxable property in
 1-46 the district. The initial ad valorem tax shall be imposed at the
 1-47 rate of _____ (insert amount) cents on the \$100 valuation of all
 1-48 taxable property in the district. District funds shall be used for
 1-49 district purposes, including improving health care services for
 1-50 residents of Hidalgo County, supporting the School of Medicine at
 1-51 The University of Texas Rio Grande Valley, training physicians,
 1-52 nurses, and other health care professionals, obtaining federal or
 1-53 state funds for health care services, and providing community
 1-54 health clinics, primary care services, behavioral and mental health
 1-55 care services, and prevention and wellness programs."

1-56 (g) The Hidalgo County Commissioners Court shall find that
 1-57 the Hidalgo County Healthcare [~~Hospital~~] District is created if a
 1-58 majority of the voters voting in the election held under this
 1-59 section favor the creation of the district.

1-60 SECTION 5. Section 1122.051, Special District Local Laws
 1-61 Code, is amended to read as follows:

2-1 Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the
 2-2 district is approved at the election held under Section 1122.021,
 2-3 the district shall be governed by a ~~[nine-member]~~ board of 10
 2-4 directors, appointed as follows:

2-5 (1) the county judge of Hidalgo County shall appoint
 2-6 one director;

2-7 (2) each county commissioner serving on the Hidalgo
 2-8 County Commissioners Court shall appoint one director ~~[four~~
 2-9 ~~directors];~~

2-10 (3) ~~[(2)]~~ the governing body of the most populous
 2-11 municipality ~~[with the largest population]~~ in Hidalgo County shall
 2-12 appoint two directors; and

2-13 (4) ~~[(3)]~~ the governing bodies of the second, third,
 2-14 and fourth most populous municipalities ~~[body of the municipality~~
 2-15 ~~with the second largest population]~~ in Hidalgo County shall each
 2-16 appoint one director [+

2-17 ~~[(4) the governing body of a municipality with the~~
 2-18 ~~third largest population in Hidalgo County shall appoint one~~
 2-19 ~~director; and~~

2-20 ~~[(5) the governing body of a municipality with the~~
 2-21 ~~fourth largest population in Hidalgo County shall appoint one~~
 2-22 ~~director].~~

2-23 (b) Directors serve staggered three-year ~~[four-year]~~ terms,
 2-24 with three or four ~~[as near as possible to one-fourth of the]~~
 2-25 directors' terms expiring each year. The ~~[terms of the]~~ initial
 2-26 directors appointed under this section shall draw lots as follows
 2-27 to determine ~~[are as follows]:~~

2-28 (1) for the directors appointed by the governing
 2-29 bodies of the municipalities in Hidalgo County described by
 2-30 Subsection (a), ~~[shall draw lots to determine]~~ which two directors
 2-31 serve a one-year term, which two directors serve ~~[director serves]~~
 2-32 a two-year term, and which director serves a three-year term ~~[, and~~
 2-33 ~~which director serves a four-year term]; and~~

2-34 (2) for the directors appointed by the Hidalgo County
 2-35 Commissioners Court, including the director appointed by the county
 2-36 judge of Hidalgo County, ~~[shall draw lots to determine]~~ which two
 2-37 directors serve ~~[director serves]~~ a one-year term, which director
 2-38 serves a two-year term, and which two directors serve ~~[director~~
 2-39 ~~serves] a three-year term~~ ~~[, and which director serves a four-year~~
 2-40 ~~term].~~

2-41 (c) On expiration of the initial directors' terms,
 2-42 successor directors shall be appointed for a three-year term by the
 2-43 person or governing body that appointed the initial director.

2-44 (d) A director may not serve more than three ~~[two]~~
 2-45 consecutive three-year ~~[four-year]~~ terms.

2-46 SECTION 6. Section 1122.052, Special District Local Laws
 2-47 Code, is amended to read as follows:

2-48 Sec. 1122.052. QUALIFICATIONS. The Hidalgo County
 2-49 Commissioners Court shall by order provide for the qualifications
 2-50 of appointees to the board. The qualifications must provide that a
 2-51 person is not eligible for appointment to the board if the person
 2-52 is:

2-53 (1) an employee of Hidalgo County;
 2-54 (2) an employee of a municipality located in the
 2-55 district;

2-56 (3) a district employee; or
 2-57 (4) ~~[(3)]~~ related within the third degree of
 2-58 consanguinity or affinity, as determined under Subchapter B,
 2-59 Chapter 573, Government Code, to a member of the Commissioners
 2-60 Court of Hidalgo County, to a member of the governing body of a
 2-61 municipality located in the district, ~~[commissioners court]~~ or to a
 2-62 person described by Subdivision (1), ~~[or]~~ (2), or (3).

2-63 SECTION 7. Sections 1122.056 and 1122.057, Special District
 2-64 Local Laws Code, are amended to read as follows:

2-65 Sec. 1122.056. BOARD VACANCY. A ~~[If a]~~ vacancy ~~[occurs]~~
 2-66 in the office of director ~~[, the remaining directors]~~ shall be filled
 2-67 [appoint a director] for the remainder of the unexpired term by
 2-68 appointment by the person or governing body that appointed the
 2-69 vacating director.

3-1 Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a
3-2 majority of the directors voting is necessary in matters relating
3-3 to district business. In the event of a tie vote among the
3-4 directors, the county judge of Hidalgo County may cast the deciding
3-5 vote.

3-6 SECTION 8. Sections 1122.101, 1122.102, 1122.103, and
3-7 1122.106, Special District Local Laws Code, are amended to read as
3-8 follows:

3-9 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has
3-10 full responsibility for operating hospital facilities and
3-11 providing medical and hospital care for the district's indigent
3-12 [needy] residents as required under this chapter, another
3-13 applicable statute, and the constitution of this state.

3-14 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
3-15 The board shall manage, control, and administer the district
3-16 [hospital system] and the money and resources of the district.

3-17 Sec. 1122.103. RULES. The board may adopt rules governing:

3-18 (1) the operation of the district and any district
3-19 hospital [and hospital system]; and

3-20 (2) the duties, functions, and responsibilities of
3-21 district staff and employees.

3-22 Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND
3-23 EQUIPMENT. (a) The board shall determine:

3-24 (1) the type, number, and location of buildings
3-25 required to maintain an adequate health care district [hospital
3-26 system]; and

3-27 (2) the type of equipment necessary to provide medical
3-28 [for hospital] care in the district.

3-29 (b) The board may:

3-30 (1) acquire property, facilities, and equipment for
3-31 use by the district [for use in the hospital system];

3-32 (2) mortgage or pledge the property, facilities, or
3-33 equipment as security for payment of the purchase price;

3-34 (3) sell or otherwise dispose of property, facilities,
3-35 or equipment for the district; or

3-36 (4) lease hospital facilities for the district.

3-37 SECTION 9. Section 1122.151(a), Special District Local Laws
3-38 Code, is amended to read as follows:

3-39 (a) The board and the district administrator shall jointly
3-40 prepare a proposed annual budget for the district.

3-41 SECTION 10. Sections 1122.152(d) and (e), Special District
3-42 Local Laws Code, are amended to read as follows:

3-43 (d) At the conclusion of the hearing, the board shall adopt
3-44 a budget by acting on the proposed budget [proposed by the district
3-45 administrator]. The board may make a change in the proposed budget
3-46 that the board determines to be in the interests of the taxpayers.

3-47 (e) The budget is effective only after:

3-48 (1) adoption by the board; and

3-49 (2) approval by the Hidalgo County Commissioners
3-50 Court.

3-51 SECTION 11. Section 1122.153, Special District Local Laws
3-52 Code, is amended to read as follows:

3-53 Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is
3-54 adopted, the budget may be amended if the proposed amendment is:

3-55 (1) adopted by the board; and

3-56 (2) approved by the Hidalgo County Commissioners Court
3-57 [on the board's approval].

3-58 SECTION 12. Section 1122.201, Special District Local Laws
3-59 Code, is amended to read as follows:

3-60 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by
3-61 an election, the board may issue and sell general obligation bonds
3-62 in the name and on the faith and credit of the district to:

3-63 (1) purchase, construct, acquire, repair, or renovate
3-64 buildings or improvements;

3-65 (2) equip buildings or improvements for district
3-66 [hospital] purposes; or

3-67 (3) acquire and operate a mobile emergency medical
3-68 service.

3-69 SECTION 13. Sections 1122.204(a) and (b), Special District

4-1 Local Laws Code, are amended to read as follows:

4-2 (a) The board may issue revenue bonds to:

4-3 (1) acquire, purchase, construct, repair, renovate,
4-4 or equip buildings or improvements for district [~~hospital~~]
4-5 purposes;

4-6 (2) acquire sites to be used for district [~~hospital~~]
4-7 purposes; or

4-8 (3) acquire and operate a mobile emergency medical
4-9 service to assist the district in carrying out its [~~hospital~~]
4-10 purposes.

4-11 (b) The bonds must be payable from and secured by a pledge of
4-12 all or part of the revenues derived from the operation of the
4-13 district [~~district's hospital system~~].

4-14 SECTION 14. Section 1122.251(a), Special District Local
4-15 Laws Code, is amended to read as follows:

4-16 (a) The board shall impose a tax on all property in the
4-17 district subject to [~~hospital district~~] taxation by the district.

4-18 SECTION 15. The heading to Section 1122.252, Special
4-19 District Local Laws Code, is amended to read as follows:

4-20 Sec. 1122.252. LIMITATION ON TAX RATE.

4-21 SECTION 16. Section 1122.252(a), Special District Local
4-22 Laws Code, is amended to read as follows:

4-23 (a) Unless a higher rate is approved at an election held as
4-24 provided by Section 1122.2521, the [~~The~~] tax rate on all taxable
4-25 property in the district for all purposes may not exceed 25 [~~75~~]
4-26 cents on each \$100 valuation of the property according to the most
4-27 recent certified tax appraisal roll of the district.

4-28 SECTION 17. Subchapter F, Chapter 1122, Special District
4-29 Local Laws Code, is amended by adding Sections 1122.2521,
4-30 1122.2522, 1122.2523, 1122.2524, and 1122.2525 to read as follows:

4-31 Sec. 1122.2521. ELECTION REQUIRED TO INCREASE TAX RATE.

4-32 (a) The board may order an election to increase the district's
4-33 maximum ad valorem tax rate to a rate greater than the maximum rate
4-34 provided by Section 1122.252.

4-35 (b) The ballot for an election held under this section must
4-36 be printed to permit voting for or against the proposition: "The
4-37 imposition of taxes by the Hidalgo County Healthcare District for
4-38 district purposes at a rate not to exceed _____ (insert amount) cents
4-39 on the \$100 valuation of all property in the district."

4-40 (c) The board may impose taxes at the rate authorized by the
4-41 proposition if a majority of voters voting at an election held under
4-42 this section favor the proposition.

4-43 (d) This section does not authorize the board to impose
4-44 taxes at a rate that exceeds the maximum ad valorem tax rate
4-45 authorized by Section 9, Article IX, Texas Constitution.

4-46 (e) Section 41.001(a), Election Code, does not apply to an
4-47 election ordered under this section.

4-48 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

4-49 (a) If in any year the board adopts a tax rate that exceeds the
4-50 rollback tax rate calculated as provided by Chapter 26, Tax Code,
4-51 the qualified voters of the district by petition may require that an
4-52 election be held to determine whether or not to reduce the tax rate
4-53 adopted by the board for that year to the rollback tax rate.

4-54 (b) To the extent a conflict exists between this section and
4-55 a provision of the Tax Code, the provision of the Tax Code prevails.

4-56 Sec. 1122.2523. RESIDENCE HOMESTEAD TAX PROVISIONS

4-57 APPLICABLE. (a) The board shall ensure that all district residents
4-58 receive all ad valorem tax exemptions and limitations that the
4-59 residents are entitled to receive under the constitution and the
4-60 Tax Code, including the exemption of the total appraised value of
4-61 the residence homestead of a fully disabled veteran or the disabled
4-62 veteran's surviving spouse required by Section 11.131, Tax Code.

4-63 (b) The board shall adopt an exemption from ad valorem
4-64 taxation by the district of a portion of the appraised value of a
4-65 district resident's residence homestead as provided by Section
4-66 11.13(d), Tax Code. Unless the board specifies a larger amount as
4-67 provided by Section 11.13(e), Tax Code, the amount of the exemption
4-68 required to be adopted by the board under this subsection is \$3,000
4-69 of the appraised value of a district resident's residence

5-1 homestead. Section 11.13(f), Tax Code, applies to an exemption
5-2 adopted by the board under this subsection.

5-3 Sec. 1122.2524. PROHIBITION ON PARTICIPATION IN TAX
5-4 INCREMENT FUND. The district may not enter into an agreement to
5-5 participate in a reinvestment zone designated by a municipality or
5-6 a county under Chapter 311, Tax Code.

5-7 Sec. 1122.2525. REDUCTION IN AD VALOREM TAX RATE BY COUNTY.
5-8 The Hidalgo County Commissioners Court, in determining the county
5-9 ad valorem tax rate for the first year in which the district imposes
5-10 ad valorem taxes on property in the district, shall:

5-11 (1) take into account the decrease in the amount the
5-12 county will spend for health care purposes in that year because the
5-13 district is providing health care services previously provided or
5-14 paid for by the county; and

5-15 (2) reduce the county's ad valorem tax rate in
5-16 accordance with the decreased amount of required spending described
5-17 by Subdivision (1).

5-18 SECTION 18. Section 1122.303, Special District Local Laws
5-19 Code, is amended to read as follows:

5-20 Sec. 1122.303. BALLOT. The ballot for an election under
5-21 this subchapter must be printed to permit voting for or against the
5-22 proposition: "The dissolution of the Hidalgo County Healthcare
5-23 [~~Hospital~~] District."

5-24 SECTION 19. On the creation of the Hidalgo County
5-25 Healthcare District, or as soon as practicable after the district
5-26 is created, the Commissioners Court of Hidalgo County shall
5-27 transfer to the district all operating funds, and any funds held in
5-28 reserve for operating expenses, that have been budgeted by the
5-29 county to pay the costs associated with administering a county
5-30 program to provide to residents of the district indigent health
5-31 care assistance under Chapter 61, Health and Safety Code, during
5-32 the fiscal year in which the district is created.

5-33 SECTION 20. The provisions of this Act or the applications
5-34 of those provisions are severable as provided by Section
5-35 311.032(c), Government Code.

5-36 SECTION 21. This Act takes effect immediately if it
5-37 receives a vote of two-thirds of all the members elected to each
5-38 house, as provided by Section 39, Article III, Texas Constitution.
5-39 If this Act does not receive the vote necessary for immediate
5-40 effect, this Act takes effect September 1, 2015.

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5-41