

AN ACT

relating to certain hospital districts and to certain corporations or organizations formed by those districts.

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

SECTION 1. Section 281.0518, Health and Safety Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For purposes of Subsection (a)(3):

(1) a public or private entity may be a for-profit or a nonprofit entity; and

(2) a nonprofit corporation formed by the district may hold an ownership interest in a public or private entity described by Subsection (a)(3).

SECTION 2. Section 281.0565, Health and Safety Code, is amended by amending Subsections (c) and (d) and adding Subsections (e) and (f) to read as follows:

(c) A charitable organization created by a district under this section is a unit of local government only for purposes of Chapter 101, Civil Practice and Remedies Code.

(d) A district [~~created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003,~~] may make a capital or other financial contribution to a charitable organization created by the district to provide regional administration and delivery of health care services to or for the district.

1 (e) A charitable organization created by a district under
2 this section may contract, collaborate, or enter into a joint
3 venture or other agreement with a public or private entity, without
4 regard to that entity's for-profit or nonprofit status, and may
5 hold an ownership interest in such an entity.

6 (f) A charitable organization created by a district under
7 this section remains subject to the laws of this state and the
8 United States that govern charitable organizations. Nothing in
9 this section may be construed as abrogating or modifying any other
10 provision of law governing charitable organizations.

11 SECTION 3. Subchapter C, Chapter 281, Health and Safety
12 Code, is amended by adding Section 281.058 to read as follows:

13 Sec. 281.058. AUTHORITY TO FORM CAPTIVE INSURANCE OR
14 CAPTIVE MANAGEMENT COMPANY. (a) In this section, "captive
15 insurance company" and "captive management company" have the
16 meanings assigned to those terms by Section 964.001, Insurance
17 Code.

18 (b) A district, a combination of districts, or a nonprofit
19 corporation formed by a district or a combination of districts to
20 further the purposes of the district or districts, as appropriate,
21 may form a captive insurance company or a captive management
22 company in accordance with the provisions of Chapter 964, Insurance
23 Code, for the purpose of engaging in the business of insurance under
24 that chapter.

25 SECTION 4. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 2557

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 2557 was passed by the House on April 27, 2015, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2557 was passed by the Senate on May 20, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor