

By: Zerwas

H.B. No. 2557

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the status of a charitable organization formed by a
3 hospital district.

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

5 SECTION 1. The legislature finds that districts have
6 benefitted from the support provided by charitable organizations
7 created under this section through the development of innovative
8 technologies and intellectual property, novel public health
9 studies, patient care techniques, and other means of financial,
10 administrative or operational support. The legislature intends
11 that charitable organizations created under this section will
12 further develop resources for health care services by collaborating
13 with or entering into joint ventures or other agreements with
14 private entities including for-profit entities. The legislature
15 recognizes that the knowhow, resources, support, technologies and
16 intellectual property created, licensed, or serviced pursuant to
17 these collaborations, joint ventures, or agreements between
18 charitable organizations created under this section and private
19 entities, including for-profit entities, are integral to the
20 sustainability districts and their mission to provide for the
21 health and general welfare of the citizens of this state. The
22 legislature acknowledges that the means and measures authorized by
23 this section are in the public interest and serve a public purpose
24 in promoting the health and general welfare of the people of this

1 state.

2 SECTION 2. Section 281.0565, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 281.0565. CHARITABLE ORGANIZATIONS. (a) DEFINITION.

5 In this section, "charitable organization" means an organization
6 that is exempt from federal income tax under Section 501(a) of the
7 Internal Revenue Code of 1986 by being listed as an exempt
8 organization in Section 501(c)(3) or 501(c)(4) of the code.

9 (b) A district may create a charitable organization to
10 facilitate the management of a district health care program by
11 providing or arranging health care services, developing resources
12 for health care services, or providing ancillary support services
13 for the district. A charitable organization created by a district
14 under this section may contract, collaborate, or enter into a joint
15 venture or other agreement with a public or private entity, without
16 regard to such entity's for-profit, nonprofit, or not-for-profit
17 status, including holding an ownership interest in such entity.

18 (c) A charitable organization created by a district under
19 this section is a unit of local government for purposes of Chapter
20 101, Civil Practice and Remedies Code. A charitable organization
21 created by a district under this section is not a political
22 corporation or political subdivision merely because of its
23 characterization hereby as a unit of local government.

24 (d) A district [~~created in a county with a population of~~
25 ~~more than 800,000 that was not included in the boundaries of a~~
26 ~~hospital district before September 1, 2003,~~] may make a capital or
27 other financial contribution to a charitable organization created

1 by the district to provide regional administration and delivery of
2 health care services to or for the district.

3 (e) A district may, on its own behalf or in partnership or
4 combination with any other district or districts, create a
5 charitable organization to organize, operate, manage, or
6 administer a captive insurance company, captive management
7 company, or an affiliated company under Chapter 964 of the Texas
8 Insurance Code.

9 SECTION 2. Section 281.0518(a)(3), Health and Safety Code,
10 is amended to read as follows:

11 (3) contract, collaborate, or enter into a joint
12 venture or other agreement with a public or private entity without
13 regard to such entity's for-profit, nonprofit, or not-for-profit
14 status, including holding an ownership interest in such entity to
15 engage in an activity authorized under Subdivision (1) or (2).

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2015.