

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 6, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2557** by Zerwas (Relating to certain hospital districts and to certain corporations or organizations formed by those districts.), **As Engrossed**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Health and Safety Code to permit certain hospital districts to create a charitable organization to contract, collaborate or enter into a joint venture with a public or private entity without regard to the entity's status. The bill would specify that a charitable organization created by a district is a unit of local government only for the purposes of Chapter 101, Civil Practice and Remedies Code and the organization remains subject to the laws of Texas and the United States that govern charitable organizations. The bill would permit a district, a combination of districts, or a nonprofit corporation to form a captive insurance or management company.

Local Government Impact

There could be costs to a local governmental entity that chose to establish a charitable organization. However, it is assumed that a hospital district would establish an organization only if sufficient funds were available or it would not result in a negative fiscal impact; therefore, no significant fiscal impact is anticipated.

Source Agencies:

LBB Staff: UP, KVe, SD, EK