

By: Kolkhorst, et al.  
(Price)

S.B. No. 1621

A BILL TO BE ENTITLED

AN ACT

relating to creating a license for certain rural medical facilities; requiring a license; authorizing fees.

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

SECTION 1. Chapter 241, Health and Safety Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. LIMITED SERVICES RURAL HOSPITAL

Sec. 241.301. DEFINITION. In this subchapter, "limited services rural hospital" means a general or special hospital that is or was licensed under this chapter and that:

(1) is:

(A) located in a rural area, as defined by:

(i) commission rule; or

(ii) 42 U.S.C. Section 1395ww(d)(2)(D); or

(B) designated by the Centers for Medicare and Medicaid Services as a critical access hospital, rural referral center, or sole community hospital; and

(2) otherwise meets the requirements to be designated as a limited services rural hospital or a similarly designated hospital under federal law for purposes of a payment program described by Section 241.302(a)(1).

Sec. 241.302. LICENSE REQUIRED. (a) A person may not establish, conduct, or maintain a limited services rural hospital unless:

1           (1) the United States Congress passes a bill creating  
2 a payment program specifically for limited services rural hospitals  
3 or similarly designated hospitals that becomes law; and

4           (2) the commission issues a license to the person to  
5 establish, conduct, or maintain a limited services rural hospital  
6 under this subchapter.

7           (b) If the United States Congress enacts a bill described by  
8 Subsection (a)(1) that becomes law, the executive commissioner  
9 shall adopt rules:

10           (1) establishing minimum standards for the  
11 facilities; and

12           (2) implementing this section.

13           (c) The standards adopted under Subsection (b) must be at  
14 least as stringent as the standards established in the law  
15 described by Subsection (a) for eligibility to qualify for a  
16 payment program established by the law.

17           (d) An applicant for a license under this section must:

18           (1) submit an application for the license to the  
19 commission in a form and manner prescribed by the commission; and

20           (2) pay any required fee.

21           (e) The commission shall issue a license to act as a limited  
22 services rural hospital under this subchapter if the applicant  
23 complies with the rules and standards adopted under this section.

24           (f) The commission by order may waive or modify the  
25 requirement of a particular provision of this chapter or a standard  
26 adopted under this section if the commission determines that the  
27 waiver or modification will facilitate the creation or operation of

1 the facility and that the waiver or modification is in the best  
2 interests of the individuals served or to be served by the facility.  
3 Sections 241.026(d) and (e) apply to a waiver or modification under  
4 this section for a limited services rural hospital in the same  
5 manner as the subsections apply to a waiver or modification for a  
6 hospital.

7 (g) A provision of this chapter related to the enforcement  
8 authority of the commission applies to a limited services rural  
9 hospital.

10 Sec. 241.303. LICENSING FEE. (a) The executive  
11 commissioner by rule shall establish and the commission shall  
12 collect a fee for issuing and renewing a license under this  
13 subchapter that is in an amount reasonable and necessary to cover  
14 the costs of administering and enforcing this subchapter.

15 (b) All fees collected under this section shall be deposited  
16 in the state treasury to the credit of the commission to administer  
17 and enforce this subchapter.

18 SECTION 2. This Act takes effect September 1, 2019.

1                                    COMMITTEE AMENDMENT NO. 1

2            Amend S.B. No. 1621 by adding the following appropriately  
3 numbered SECTIONS to the bill and renumbering subsequent SECTIONS  
4 of the bill accordingly:

5            SECTION \_\_\_\_\_. Chapter 1061, Special District Local Laws  
6 Code, is amended by adding Subchapter G to read as follows:

7                                    SUBCHAPTER G. SALES AND USE TAX

8            Sec. 1061.301. TAX AUTHORIZED. (a) The district may adopt,  
9 change the rate of, or abolish a sales and use tax at an election  
10 held in the district.

11            (b) The district may not adopt a tax under this subchapter  
12 or increase the rate of the tax if as a result of the adoption of the  
13 tax or the tax increase the combined rate of all sales and use taxes  
14 imposed by the district and all other political subdivisions of  
15 this state having territory in the district would exceed two  
16 percent in any location in the district.

17            Sec. 1061.302. APPLICABILITY OF OTHER LAW. Except to the  
18 extent that a provision of this subchapter applies, Chapter 323,  
19 Tax Code, applies to a tax authorized by this subchapter in the same  
20 manner as that chapter applies to the tax authorized by that  
21 chapter.

22            Sec. 1061.303. TAX RATE; CHANGE IN RATE. (a) The district  
23 may impose a tax authorized by this subchapter in increments of  
24 one-eighth of one percent, with a minimum rate of one-eighth of one  
25 percent and a maximum rate of two percent.

26            (b) The district may increase the rate of a tax authorized  
27 by this subchapter to a maximum of two percent or decrease the rate

1 of the tax to a minimum of one-eighth of one percent if the change is  
2 approved by a majority of the voters of the district at an election  
3 called for that purpose.

4 Sec. 1061.304. ELECTION PROCEDURE. An election to adopt,  
5 change the rate of, or abolish a tax authorized by this subchapter  
6 is called by the adoption of an order of the board. The board may  
7 call an election on its own motion and shall call an election if a  
8 number of qualified voters in the district equal to at least five  
9 percent of the number of registered voters in the district  
10 petitions the board to call the election.

11 Sec. 1061.305. ELECTION IN OTHER TAXING AUTHORITY. (a) In  
12 this section, "taxing authority" means any entity authorized to  
13 impose a local sales and use tax.

14 (b) If the district is included within the boundaries of  
15 another taxing authority and the adoption or increase in the rate of  
16 a tax under this subchapter would result in a combined tax rate by  
17 the district and other political subdivisions of this state of more  
18 than two percent at any location in the district, an election to  
19 approve or increase the rate of the tax has no effect unless:

20 (1) one or more of the other taxing authorities holds  
21 an election in accordance with the law governing that authority on  
22 the same date as the election under this subchapter to reduce the  
23 tax rate of that authority to a rate that will result in a combined  
24 tax rate by the district and other political subdivisions of not  
25 more than two percent at any location in the district; and

26 (2) the combined tax rate is reduced to not more than  
27 two percent as a result of that election.

1        (c) This section does not permit a taxing authority to  
2 impose taxes at differential tax rates within the territory of the  
3 authority.

4        Sec. 1061.306. TAX EFFECTIVE DATE. (a) The adoption,  
5 change in the rate of, or abolition of a tax under this subchapter  
6 takes effect on the first day of the first calendar quarter  
7 occurring after the expiration of the first complete calendar  
8 quarter occurring after the date on which the comptroller receives  
9 notice of the results of an election to adopt, change the rate of,  
10 or abolish the tax.

11        (b) If the comptroller determines that an effective date  
12 provided by Subsection (a) will occur before the comptroller can  
13 reasonably take the action required to begin collecting the tax or  
14 to implement the change in the rate of the tax or the abolition of  
15 the tax, the effective date may be extended by the comptroller until  
16 the first day of the next calendar quarter.

17        Sec. 1061.307. USE OF TAX REVENUE. Revenue from a tax  
18 imposed under this subchapter may be used by the district for any  
19 purpose of the district authorized by law.

20        SECTION \_\_\_\_\_. Section 1061.151(b), Special District Local  
21 Laws Code, is amended to read as follows:

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

- 24            (1) the outstanding obligations of the district;
- 25            (2) the cash on hand in each district fund;
- 26            (3) the money received by the district from all
- 27 sources during the previous year;

1 (4) the money available to the district from all  
2 sources during the ensuing year;

3 (5) the balances expected at the end of the year in  
4 which the budget is being prepared;

5 (6) the estimated revenue and balances available to  
6 cover the proposed budget;

7 (7) the estimated ad valorem tax rate required; and

8 (8) the proposed expenditures and disbursements and  
9 the estimated receipts and collections for the following fiscal  
10 year.

11 SECTION \_\_\_\_\_. The heading to Subchapter F, Chapter 1061,  
12 Special District Local Laws Code, is amended to read as follows:

13 SUBCHAPTER F. AD VALOREM TAXES

14 SECTION \_\_\_\_\_. Section 26.012(1), Tax Code, is amended to  
15 read as follows:

16 (1) "Additional sales and use tax" means an additional  
17 sales and use tax imposed by:

18 (A) a city under Section 321.101(b);

19 (B) a county under Chapter 323; or

20 (C) a hospital district, other than a hospital  
21 district:

22 (i) created on or after September 1, 2001,  
23 that:

24 (a) [~~(i)~~] imposes the sales and use  
25 tax under Subchapter I, Chapter 286, Health and Safety Code; or

26 (b) [~~(i)~~] imposes the sales and use  
27 tax under Subchapter L, Chapter 285, Health and Safety Code; or

