

BILL ANALYSIS

S.B. 2034
By: Lucio
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been reported that approximately one in three individuals in Cameron County lacks health care coverage and that the county has a large number of uninsured individuals compared to the rest of the nation. Interested parties note that the county does not have a public hospital or hospital district and that the growing cost of indigent care has put a strain on the county. The parties contend that a health care district similar to a hospital district would benefit the county and improve local health services. S.B. 2034 seeks to provide for such a district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 2034 amends the Special District Local Laws Code to provide for the creation of the Cameron County Healthcare District, subject to petition requirements and voter approval, and to specify that, if created, the district operates and is financed as a hospital district. The bill prohibits the state from being obligated for the support or maintenance of the district and prohibits the legislature from making a direct appropriation for the construction, maintenance, or improvement of a district facility. The bill provides for the district's administration, including providing for the district's board of directors and for the appointment of a district administrator, assistant district administrator, and attorney for the district. The bill, among other provisions, provides for district employees and employee retirement benefits, the recruitment of medical staff and employees, and the appointment and removal of medical staff.

S.B. 2034 sets out provisions relating to the district's powers and duties, including full responsibility for operating the district's hospital facilities and providing medical and hospital care for the district's needy inhabitants. The bill requires the board to manage, control, and administer the district and the district's money and resources and authorizes the board to adopt rules governing the operation of the district and any district hospital and rules governing the duties, functions, and responsibilities of district staff and employees. The bill, among other provisions, authorizes the district to provide certain health services; authorizes the board to enter into operating and management contracts, service contracts, and construction contracts; provides for payment for the treatment of a patient who resides in the district and reimbursement for services to a person who is not an inhabitant of the county; and authorizes the board to sue and be sued on the district's behalf. The bill, if it receives a two-thirds vote of all the members elected to each house, authorizes the district to exercise the power of eminent domain to acquire

a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by the bill and provides for the district's exercise of the power of eminent domain.

S.B. 2034 sets out general financial provisions for the district, including provisions relating to the district's budget, annual audit, short-term financing, debt limitation, and restriction on investment. The bill, subject to certain requirements, authorizes the board to issue and sell general obligation bonds and issue revenue bonds and requires the board to impose a property tax. The bill exempts bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds from taxation by the state or by a political subdivision of the state. The bill caps the tax rate on all taxable property in the district for all purposes at 25 cents on each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district and provides for a certain reduction in the property tax rate by the county. The bill provides for applicable residence homestead tax provisions, a prohibition on participation in a tax increment fund, and district dissolution procedures.

S.B. 2034 requires the county commissioners court, on the creation of the district or as soon as practicable after the district is created, to transfer to the district all operating funds, and any funds held in reserve for operating expenses, that have been budgeted by the county to pay the costs associated with administering a county program to provide to district residents indigent health care assistance under the Indigent Health Care and Treatment Act during the fiscal year in which the district is created.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.