

BILL ANALYSIS

S.B. 748
By: Kolkhorst
Public Health
Committee Report (Amended)

BACKGROUND AND PURPOSE

It has been noted that the highest-volume area of the Department of State Health Services public health laboratory is newborn screenings. There are concerns that funding for the newborn screening program is insufficient to maintain current levels of screening, expand the program to include other recommended screenings, and make necessary upgrades and improvements to the laboratory. S.B. 748 seeks to address these concerns by establishing a dedicated account for newborn screenings to provide a consistent and long-term funding stream.

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 rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 4 of this bill.

ANALYSIS

S.B. 748 amends the Health and Safety Code to establish the newborn screening preservation account as a dedicated account in the general revenue fund. The bill authorizes money in the account to be appropriated only to the Department of State Health Services (DSHS) for the purpose of carrying out the newborn screening program. The bill requires the comptroller of public accounts, on November 1 of each year, to transfer to the account any unexpended and unencumbered money from Medicaid reimbursements collected by DSHS for newborn screening services during the preceding state fiscal year. The bill sets out the components of the account and exempts the account from statutory provisions relating to the reallocation of interest accrued on certain dedicated revenue. The bill establishes that DSHS administers the account and authorizes DSHS to solicit and receive gifts, grants, and donations from any source for the benefit of the account.

S.B. 748 dedicates any money remaining in the account after paying the costs of operating the newborn screening program to use by DSHS to do the following:

- pay the costs of offering additional newborn screening tests not offered before September 1, 2019, including certain operational costs; and
- pay for capital assets, equipment, and renovations for the laboratory established by DSHS to ensure the continuous operation of the program.

The bill prohibits DSHS from using money from the account for the general operating expenses of DSHS.

S.B. 748 requires DSHS, if it requires an additional newborn screening test funded with money appropriated from the account, to prepare and submit a written report summarizing the following information to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature having primary jurisdiction over DSHS not later than September 1 of each even-numbered year:

- the implementation plan for the test, including anticipated completion dates for implementing the test and potential barriers to conducting the test; and
- the actions taken by DSHS to fund and implement the test during the preceding two years.

The bill requires DSHS to submit the first report not later than December 1, 2019.

S.B. 748 replaces the authorization for the executive commissioner of the Health and Human Services Commission to establish by rule the amounts charged for newborn screening fees with a requirement for the executive commissioner to do so. The bill requires the executive commissioner, in adopting the rules, to ensure that amounts charged for newborn screening fees are sufficient to cover the costs of performing the screening. The bill requires the executive commissioner to adopt rules as necessary to implement the bill's provisions.

EFFECTIVE DATE

September 1, 2019.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1

Committee Amendment No. 1 amends the Special District Local Laws Code to authorize the Midland County Hospital District of Midland County, Texas, to adopt, change the rate of, or abolish a sales and use tax at an election held in the district and to use revenue from the tax for any purpose of the district authorized by law. The amendment prohibits the district from adopting a sales and use tax or increasing the rate of the tax if as a result of the adoption of the tax or the tax increase the combined rate of all sales and use taxes imposed by the district and all other political subdivisions of the state having territory in the district would exceed two percent in any location in the district. The amendment makes the County Sales and Use Tax Act applicable to a district sales and use tax in the same manner as that act applies to the tax authorized by the act, except to the extent that a provision of the amendment applies.

Committee Amendment No. 1 authorizes the district to impose a sales and use tax in increments of one-eighth of one percent, with a minimum rate of one-eighth of one percent and a maximum rate of two percent, and to increase the rate of the tax to a maximum of two percent or decrease the rate of the tax to a minimum of one-eighth of one percent if the change is approved by a majority of the voters of the district at an election called for that purpose. The amendment establishes that an election to adopt, change the rate of, or abolish a district sales and use tax is called by the adoption of an order of the district's board of directors. The amendment authorizes the board to call an election on its own motion and requires the board to call an election if a number of qualified voters in the district equal to at least five percent of the number of registered voters in the district petition the board to call the election. The amendment establishes that the adoption, change in the rate of, or abolition of a tax under the amendment's provisions relating to sales and use tax takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete calendar quarter occurring after the date on which the comptroller of public accounts receives notice of the results of an election to adopt, change the rate of, or abolish the tax. If the comptroller determines that an effective date will occur before the comptroller can reasonably take the action required to begin collecting the tax or to implement the change in the rate of the tax or the abolition of the tax, the effective date may be extended by the comptroller until the first day of the next calendar quarter.

Committee Amendment No. 1 establishes that if the district is included within the boundaries of another taxing authority, defined by the amendment as any entity authorized to impose a local sales and use tax, and the adoption or increase in the rate of a district sales and use tax would result in a combined tax rate by the district and other political subdivisions of the state of more than two percent at any location in the district, an election to approve or increase the rate of the tax has no effect unless one or more of the other taxing authorities holds an election in accordance with the law governing that authority on the same date as the district election to reduce the tax rate of that authority to a rate that will result in a combined tax rate by the district and other political subdivisions of not more than two percent at any location in the district and the combined tax rate is reduced to not more than two percent as a result of that election. These provisions of the amendment expressly do not permit a taxing authority to impose taxes at differential tax rates within the territory of the authority.

Committee Amendment No. 1 amends the Tax Code to exclude the district's sales and use tax from the definition of "additional sales and use tax" applicable to property tax assessment provisions.