

SUBJECT: Repealing provision authorizing hospital district in Hidalgo County

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 8 ayes — Coleman, Farias, M. González, Hernandez Luna, Kolkhorst, Krause, Simpson, Stickland

0 nays

1 absent — Hunter

SENATE VOTE: On final passage, May 1 — 31-0

WITNESSES: (*On House companion, HJR 147:*)
For — Donald Lee, Texas Conference of Urban Counties; (*Registered, but did not testify:* Jim Allison, County Judges and Commissioners Association of Texas; Paul Bollinger, Doctors Hospital at Renaissance; Don McBeath, Texas Organization of Rural & Community Hospitals; Terry Simpson, San Patricio County)

Against — None

BACKGROUND: Tex. Const., Art. 9, sec. 7 authorizes the creation of a hospital district in Hidalgo County. The constitution authorizes a maximum tax rate of 10 cents per \$100 valuation of taxable property for the hospital district.

DIGEST: SJR 54 would repeal Texas Const., Art. 9, sec. 7.

The proposal would be presented to the voters at an election on Tuesday, November 5, 2013. The ballot proposal would read: “The constitutional amendment repealing Section 7, Article IX, Texas Constitution, which relates to the creation of a hospital district in Hidalgo County.”

SUPPORTERS SAY: SJR 54 would allow Hidalgo County to rid itself of a more than 50-year-old provision in the state’s constitution that limits its ability to create and operate a sustainable hospital district. Hidalgo is the largest county in Texas without a hospital district and the only one in the state required to have a maximum tax rate of 10 cents per \$100 property valuation for a

hospital district. Although this low tax rate might have seemed sensible when it was passed by the 56th Legislature in 1959, it hampers the ability of Hidalgo County to form a sorely needed hospital district that would be solvent.

Other Texas counties have shown the ability to operate successful hospital districts with tax rates that range on average between 20 and 40 cents per \$100 property valuation. SJR 54 would allow Hidalgo County, with voter approval, to have a district that could serve a community with a high rate of uninsured residents, boost affordable health care, and strengthen the region's ability to draw federal funds to pay for emergency care for the poor. A community that can offer health care to uninsured residents before they reach the emergency room has an important responsibility to property taxpayers to keep health care costs low.

SJR 54 would afford Hidalgo County the same taxing rate range that other counties enjoy for their hospital districts. If SJR 54 were passed and approved by voters, the formation of a hospital district in Hidalgo County and the district's tax rate still would require approval from the county's voters during an election.

**OPPONENTS
SAY:**

SJR 54 likely would lead to an increase in taxes for Hidalgo County property owners. The new tax rate for a hospital district in Hidalgo County could be set as high as 75 cents per \$100 property valuation.

NOTES:

SJR 54 is identical to the House companion joint resolution, HJR 147 by Guerra, which passed the House on May 1. HJR 147 was reported favorably by the Senate Intergovernmental Relations Committee on May 14 and scheduled for the May 16 Intent Calendar.

According to the fiscal note for SJR 54, the cost to publish the proposed constitutional amendment would be \$108,921.