

BILL ANALYSIS

Senate Research Center

C.S.S.B. 402
By: Van de Putte
Intergovernmental Relations
4/5/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Current Texas law allows a county hospital district to levy taxes on the property within that county and does not require rural counties to assume any of the financial burden for the medical costs incurred at regional trauma facilities by the indigent from their communities. Certain hospital districts which serve multi-county regions are facing increased costs due to unreimbursed trauma care for out-of-county patients. C.S.S.B. 402 authorizes the board of managers of a hospital district to issue certificates of obligation and requires the commissioners court to levy taxes on all property subject to hospital district taxation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading of Chapter 281F, Health and Safety Code, to read as follows:

SUBCHAPTER F. DISTRICT BONDS AND CERTIFICATES OF OBLIGATION

SECTION 2. Amends Chapter 281F, Health and Safety Code, by adding Section 281.106, as follows:

Sec. 281.106. **AUTHORITY TO ISSUE CERTIFICATES OF OBLIGATION.**
Authorizes the board of hospital managers of a district, with the approval of the commissioners court, to issue certificates of obligation for district purposes in accordance with Chapter 271C, Local Government Code, for district purposes as authorized by this chapter.

SECTION 3. Amends the heading of Section 281.121, Health and Safety Code, to read as follows:

Sec. 281.121. **TAXES TO PAY BONDS AND CERTIFICATES OF OBLIGATION;
TAX ASSESSMENT AND COLLECTION.**

SECTION 4. Amends Sections 281.121(a) and (c), Health and Safety Code, as follows:

(a) Requires the commissioners court to impose a tax for the benefit of the district on all property subject to hospital district (district) taxation, when the district issues bonds or certificates of obligation payable from and secured by taxes under this chapter.
Authorizes the commissioners court to impose the tax for the entire year in which the district is created in order to finance initial district operation and to pay bonds assumed by the district.

(c) Authorizes the proceeds of the tax to be used for certain purposes, including paying for certificates of obligation issued under Section 281.106 that are payable from and secured by taxes.

SECTION 5. Amends Section 271.043(7), Local Government Code, to redefine “issuer.”

SECTION 6. Effective date: September 1, 2003.

SUMMARY OF COMMITTEE CHANGES

Differs from original in SECTION 2 by adding the modifying phrase “for district purposes as authorized by this chapter” to the provisions authorizing the board of hospital managers of a district, with the approval of the commissioners court, to issue certificates of obligation in accordance with Chapter 271C, Local Government Code.