

1-1 By: Hinojosa, Lucio S.B. No. 626  
1-2 (In the Senate - Filed February 18, 2015; February 23, 2015,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; April 23, 2015, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; April 23, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Lucio	X		
1-9	Bettencourt	X		
1-10	Campbell	X		
1-11	Garcia	X		
1-12	Menéndez	X		
1-13	Nichols	X		
1-14	Taylor of Galveston	X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the Hidalgo County Healthcare District; decreasing the  
1-18 possible maximum rate of a tax.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. The heading to Chapter 1122, Special District  
1-21 Local Laws Code, is amended to read as follows:

1-22 CHAPTER 1122. HIDALGO COUNTY HEALTHCARE [~~HOSPITAL~~] DISTRICT

1-23 SECTION 2. Section 1122.001(3), Special District Local Laws  
1-24 Code, is amended to read as follows:

1-25 (3) "District" means the Hidalgo County Healthcare  
1-26 [~~Hospital~~] District.

1-27 SECTION 3. Section 1122.002, Special District Local Laws  
1-28 Code, is amended to read as follows:

1-29 Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County  
1-30 Healthcare [~~Hospital~~] District may be created and, if created,  
1-31 operates and is financed as a hospital district as provided by  
1-32 Section 9, Article IX, Texas Constitution, and by this chapter.

1-33 SECTION 4. Sections 1122.021(b), (f), and (g), Special  
1-34 District Local Laws Code, are amended to read as follows:

1-35 (b) The Hidalgo County Commissioners Court shall order an  
1-36 election for the registered voters of Hidalgo County on the  
1-37 question of creation of the Hidalgo County Healthcare [~~Hospital~~]  
1-38 District if the commissioners court receives a petition requesting  
1-39 an election that is signed by at least 50 registered voters who are  
1-40 residents of Hidalgo County.

1-41 (f) The ballot for an election under this section must be  
1-42 printed to permit voting for or against the proposition: "The  
1-43 creation of the Hidalgo County Healthcare [~~Hospital~~] District,  
1-44 providing for the imposition of an ad valorem tax at a rate not to  
1-45 exceed 25 [~~75~~] cents on each \$100 valuation on all taxable property  
1-46 in the district. The initial ad valorem tax shall be imposed at the  
1-47 rate of \_\_\_\_\_ (insert amount) cents on the \$100 valuation of all  
1-48 taxable property in the district. District funds shall be used for  
1-49 district purposes, including improving health care services for  
1-50 residents of Hidalgo County, supporting the School of Medicine at  
1-51 The University of Texas Rio Grande Valley, training physicians,  
1-52 nurses, and other health care professionals, obtaining federal or  
1-53 state funds for health care services, and providing community  
1-54 health clinics, primary care services, behavioral and mental health  
1-55 care services, and prevention and wellness programs."

1-56 (g) The Hidalgo County Commissioners Court shall find that  
1-57 the Hidalgo County Healthcare [~~Hospital~~] District is created if a  
1-58 majority of the voters voting in the election held under this  
1-59 section favor the creation of the district.

1-60 SECTION 5. Section 1122.051, Special District Local Laws  
1-61 Code, is amended to read as follows:

2-1           Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of  
 2-2 the district is approved at the election held under Section  
 2-3 1122.021, the district shall be governed by a [~~nine-member~~] board  
 2-4 of nine directors, appointed as follows:

2-5           (1) the county judge of Hidalgo County shall appoint  
 2-6 one director;

2-7           (2) each county commissioner serving on the Hidalgo  
 2-8 County Commissioners Court shall appoint one director [~~four~~  
 2-9 ~~directors~~]; and

2-10           (3) [~~(2)~~] the governing bodies [body] of the four most  
 2-11 populous municipalities located [municipality with the largest  
 2-12 population] in Hidalgo County shall each appoint one director [~~two~~  
 2-13 ~~directors~~];

2-14           [~~(3)~~] ~~the governing body of the municipality with the~~  
 2-15 ~~second largest population in Hidalgo County shall appoint one~~  
 2-16 ~~director;~~

2-17           [~~(4)~~] ~~the governing body of a municipality with the~~  
 2-18 ~~third largest population in Hidalgo County shall appoint one~~  
 2-19 ~~director; and~~

2-20           [~~(5)~~] ~~the governing body of a municipality with the~~  
 2-21 ~~fourth largest population in Hidalgo County shall appoint one~~  
 2-22 ~~director].~~

2-23           (b) Directors serve staggered three-year [~~four-year~~] terms,  
 2-24 with three [~~as near as possible to one-fourth of the~~] directors'  
 2-25 terms expiring each year. The [~~terms of the~~] initial directors  
 2-26 appointed under this section shall draw lots as follows to  
 2-27 determine [are as follows]:

2-28           (1) for the directors appointed by the governing  
 2-29 bodies of the municipalities in Hidalgo County described by  
 2-30 Subsection (a), [shall draw lots to determine] which director  
 2-31 serves [two directors serve] a one-year term, which two directors  
 2-32 serve [director serves] a two-year term, and which director serves  
 2-33 a three-year term[, and which director serves a four-year term];  
 2-34 and

2-35           (2) for the directors appointed by the Hidalgo County  
 2-36 Commissioners Court, including the director appointed by the county  
 2-37 judge of Hidalgo County, [shall draw lots to determine] which two  
 2-38 directors serve [director serves] a one-year term, which director  
 2-39 serves a two-year term, and which two directors serve [director  
 2-40 serves] a three-year term[, and which director serves a four-year  
 2-41 term].

2-42           (c) On expiration of the initial directors' terms,  
 2-43 successor directors shall be appointed for a three-year term by the  
 2-44 person or governing body that appointed the initial director.

2-45           (d) A director may not serve more than three [~~two~~]  
 2-46 consecutive three-year [~~four-year~~] terms.

2-47           SECTION 6. Section 1122.052, Special District Local Laws  
 2-48 Code, is amended to read as follows:

2-49           Sec. 1122.052. QUALIFICATIONS. The Hidalgo County  
 2-50 Commissioners Court shall by order provide for the qualifications  
 2-51 of appointees to the board. The qualifications must provide that a  
 2-52 person is not eligible for appointment to the board if the person  
 2-53 is:

2-54           (1) an employee of Hidalgo County;

2-55           (2) an employee of a municipality located in the  
 2-56 district;

2-57           (3) a district employee; or

2-58           (4) [~~(3)~~] related within the third degree of  
 2-59 consanguinity or affinity, as determined under Subchapter B,  
 2-60 Chapter 573, Government Code, to a member of the Commissioners  
 2-61 Court of Hidalgo County, to a member of the governing body of a  
 2-62 municipality located in the district, [commissioners court] or to a  
 2-63 person described by Subdivision (1), [or] (2), or (3).

2-64           SECTION 7. Section 1122.056, Special District Local Laws  
 2-65 Code, is amended to read as follows:

2-66           Sec. 1122.056. BOARD VACANCY. A [If a] vacancy [occurs] in  
 2-67 the office of director[, the remaining directors] shall be filled  
 2-68 [appoint a director] for the remainder of the unexpired term by  
 2-69 appointment by the person or governing body that appointed the

3-1 vacating director.

3-2 SECTION 8. Sections 1122.101, 1122.102, 1122.103, and  
3-3 1122.106, Special District Local Laws Code, are amended to read as  
3-4 follows:

3-5 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has  
3-6 full responsibility for operating hospital facilities and  
3-7 providing medical and hospital care for the district's indigent  
3-8 [needy] residents as required under this chapter, another  
3-9 applicable statute, and the constitution of this state.

3-10 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
3-11 The board shall manage, control, and administer the district  
3-12 [hospital system] and the money and resources of the district.

3-13 Sec. 1122.103. RULES. The board may adopt rules governing:

3-14 (1) the operation of the district and any district  
3-15 hospital [and hospital system]; and

3-16 (2) the duties, functions, and responsibilities of  
3-17 district staff and employees.

3-18 Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND  
3-19 EQUIPMENT. (a) The board shall determine:

3-20 (1) the type, number, and location of buildings  
3-21 required to maintain an adequate health care district [hospital  
3-22 system]; and

3-23 (2) the type of equipment necessary to provide medical  
3-24 [for hospital] care in the district.

3-25 (b) The board may:

3-26 (1) acquire property, facilities, and equipment for  
3-27 use by the district [for use in the hospital system];

3-28 (2) mortgage or pledge the property, facilities, or  
3-29 equipment as security for payment of the purchase price;

3-30 (3) sell or otherwise dispose of property, facilities,  
3-31 or equipment for the district; or

3-32 (4) lease hospital facilities for the district.

3-33 SECTION 9. Section 1122.151(a), Special District Local Laws  
3-34 Code, is amended to read as follows:

3-35 (a) The board and the district administrator shall jointly  
3-36 prepare a proposed annual budget for the district.

3-37 SECTION 10. Sections 1122.152(d) and (e), Special District  
3-38 Local Laws Code, are amended to read as follows:

3-39 (d) At the conclusion of the hearing, the board shall adopt  
3-40 a budget by acting on the proposed budget [proposed by the district  
3-41 administrator]. The board may make a change in the proposed budget  
3-42 that the board determines to be in the interests of the taxpayers.

3-43 (e) The budget is effective only after:

3-44 (1) adoption by the board; and

3-45 (2) approval by the Hidalgo County Commissioners  
3-46 Court.

3-47 SECTION 11. Section 1122.153, Special District Local Laws  
3-48 Code, is amended to read as follows:

3-49 Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is  
3-50 adopted, the budget may be amended if the proposed amendment is:

3-51 (1) adopted by the board; and

3-52 (2) approved by the Hidalgo County Commissioners Court  
3-53 [on the board's approval].

3-54 SECTION 12. Section 1122.201, Special District Local Laws  
3-55 Code, is amended to read as follows:

3-56 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by  
3-57 an election, the board may issue and sell general obligation bonds  
3-58 in the name and on the faith and credit of the district to:

3-59 (1) purchase, construct, acquire, repair, or renovate  
3-60 buildings or improvements;

3-61 (2) equip buildings or improvements for district  
3-62 [hospital] purposes; or

3-63 (3) acquire and operate a mobile emergency medical  
3-64 service.

3-65 SECTION 13. Sections 1122.204(a) and (b), Special District  
3-66 Local Laws Code, are amended to read as follows:

3-67 (a) The board may issue revenue bonds to:

3-68 (1) acquire, purchase, construct, repair, renovate,  
3-69 or equip buildings or improvements for district [hospital]

4-1 purposes;

4-2 (2) acquire sites to be used for district [~~hospital~~]  
4-3 purposes; or

4-4 (3) acquire and operate a mobile emergency medical  
4-5 service to assist the district in carrying out its [~~hospital~~]  
4-6 purposes.

4-7 (b) The bonds must be payable from and secured by a pledge of  
4-8 all or part of the revenues derived from the operation of the  
4-9 district [~~district's hospital system~~].

4-10 SECTION 14. Section 1122.251(a), Special District Local  
4-11 Laws Code, is amended to read as follows:

4-12 (a) The board shall impose a tax on all property in the  
4-13 district subject to [~~hospital district~~] taxation by the district.

4-14 SECTION 15. The heading to Section 1122.252, Special  
4-15 District Local Laws Code, is amended to read as follows:

4-16 Sec. 1122.252. LIMITATION ON TAX RATE.

4-17 SECTION 16. Section 1122.252(a), Special District Local  
4-18 Laws Code, is amended to read as follows:

4-19 (a) Unless a higher rate is approved at an election held as  
4-20 provided by Section 1122.2521, the [~~The~~] tax rate on all taxable  
4-21 property in the district for all purposes may not exceed 25 [~~75~~]  
4-22 cents on each \$100 valuation of the property according to the most  
4-23 recent certified tax appraisal roll of the district.

4-24 SECTION 17. Subchapter F, Chapter 1122, Special District  
4-25 Local Laws Code, is amended by adding Sections 1122.2521,  
4-26 1122.2522, 1122.2523, and 1122.2524 to read as follows:

4-27 Sec. 1122.2521. ELECTION REQUIRED TO INCREASE TAX RATE.

4-28 (a) The board may order an election to increase the district's  
4-29 maximum ad valorem tax rate to a rate greater than the maximum rate  
4-30 provided by Section 1122.252.

4-31 (b) The ballot for an election held under this section must  
4-32 be printed to permit voting for or against the proposition: "The  
4-33 imposition of taxes by the Hidalgo County Healthcare District for  
4-34 district purposes at a rate not to exceed \_\_\_\_\_ (insert amount) cents  
4-35 on the \$100 valuation of all property in the district."

4-36 (c) The board may impose taxes at the rate authorized by the  
4-37 proposition if a majority of voters voting at an election held under  
4-38 this section favor the proposition.

4-39 (d) This section does not authorize the board to impose  
4-40 taxes at a rate that exceeds the maximum ad valorem tax rate  
4-41 authorized by Section 9, Article IX, Texas Constitution.

4-42 (e) Section 41.001(a), Election Code, does not apply to an  
4-43 election ordered under this section.

4-44 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

4-45 (a) If in any year the board adopts a tax rate that exceeds the  
4-46 rollback tax rate calculated as provided by Chapter 26, Tax Code,  
4-47 the qualified voters of the district by petition may require that an  
4-48 election be held to determine whether or not to reduce the tax rate  
4-49 adopted by the board for that year to the rollback tax rate.

4-50 (b) To the extent a conflict exists between this section and  
4-51 a provision of the Tax Code, the provision of the Tax Code prevails.

4-52 Sec. 1122.2523. RESIDENCE HOMESTEAD TAX PROVISIONS

4-53 APPLICABLE. (a) The board shall ensure that all district  
4-54 residents receive all ad valorem tax exemptions and limitations  
4-55 that the residents are entitled to receive under the constitution  
4-56 and the Tax Code, including the exemption of the total appraised  
4-57 value of the residence homestead of a fully disabled veteran or the  
4-58 disabled veteran's surviving spouse required by Section 11.131, Tax  
4-59 Code.

4-60 (b) The board shall adopt an exemption from ad valorem  
4-61 taxation by the district of a portion of the appraised value of a  
4-62 district resident's residence homestead as provided by Section  
4-63 11.13(d), Tax Code. Unless the board specifies a larger amount as  
4-64 provided by Section 11.13(e), Tax Code, the amount of the exemption  
4-65 required to be adopted by the board under this subsection is \$3,000  
4-66 of the appraised value of a district resident's residence  
4-67 homestead. Section 11.13(f), Tax Code, applies to an exemption  
4-68 adopted by the board under this subsection.

4-69 Sec. 1122.2524. PROHIBITION ON PARTICIPATION IN TAX



5-1 INCREMENT FUND. The district may not enter into an agreement to  
5-2 participate in a reinvestment zone designated by a municipality or  
5-3 a county under Chapter 311, Tax Code.

5-4 SECTION 18. Section 1122.303, Special District Local Laws  
5-5 Code, is amended to read as follows:

5-6 Sec. 1122.303. BALLOT. The ballot for an election under  
5-7 this subchapter must be printed to permit voting for or against the  
5-8 proposition: "The dissolution of the Hidalgo County Healthcare  
5-9 [~~Hospital~~] District."

5-10 SECTION 19. On the creation of the Hidalgo County  
5-11 Healthcare District, or as soon as practicable after the district  
5-12 is created, the Commissioners Court of Hidalgo County shall  
5-13 transfer to the district all operating funds, and any funds held in  
5-14 reserve for operating expenses, that have been budgeted by the  
5-15 county to pay the costs associated with administering a county  
5-16 program to provide to residents of the district indigent health  
5-17 care assistance under Chapter 61, Health and Safety Code, during  
5-18 the fiscal year in which the district is created.

5-19 SECTION 20. This Act takes effect immediately if it  
5-20 receives a vote of two-thirds of all the members elected to each  
5-21 house, as provided by Section 39, Article III, Texas Constitution.  
5-22 If this Act does not receive the vote necessary for immediate  
5-23 effect, this Act takes effect September 1, 2015.

5-24

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