

1-1 By: Zerwas (Senate Sponsor - West) H.B. No. 2557
 1-2 (In the Senate - Received from the House April 28, 2015;
 1-3 May 5, 2015, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 13, 2015, reported favorably by
 1-5 the following vote: Yeas 6, Nays 0; May 13, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			

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

1-17 relating to certain hospital districts and to certain corporations
 1-18 or organizations formed by those districts.

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

1-20 SECTION 1. Section 281.0518, Health and Safety Code, is
 1-21 amended by adding Subsection (a-1) to read as follows:

1-22 (a-1) For purposes of Subsection (a)(3):

1-23 (1) a public or private entity may be a for-profit or a
 1-24 nonprofit entity; and

1-25 (2) a nonprofit corporation formed by the district may
 1-26 hold an ownership interest in a public or private entity described
 1-27 by Subsection (a)(3).

1-28 SECTION 2. Section 281.0565, Health and Safety Code, is
 1-29 amended by amending Subsections (c) and (d) and adding Subsections
 1-30 (e) and (f) to read as follows:

1-31 (c) A charitable organization created by a district under
 1-32 this section is a unit of local government only for purposes of
 1-33 Chapter 101, Civil Practice and Remedies Code.

1-34 (d) A district ~~created in a county with a population of~~
 1-35 ~~more than 800,000 that was not included in the boundaries of a~~
 1-36 ~~hospital district before September 1, 2003,~~ may make a capital or
 1-37 other financial contribution to a charitable organization created
 1-38 by the district to provide regional administration and delivery of
 1-39 health care services to or for the district.

1-40 (e) A charitable organization created by a district under
 1-41 this section may contract, collaborate, or enter into a joint
 1-42 venture or other agreement with a public or private entity, without
 1-43 regard to that entity's for-profit or nonprofit status, and may
 1-44 hold an ownership interest in such an entity.

1-45 (f) A charitable organization created by a district under
 1-46 this section remains subject to the laws of this state and the
 1-47 United States that govern charitable organizations. Nothing in
 1-48 this section may be construed as abrogating or modifying any other
 1-49 provision of law governing charitable organizations.

1-50 SECTION 3. Subchapter C, Chapter 281, Health and Safety
 1-51 Code, is amended by adding Section 281.058 to read as follows:

1-52 Sec. 281.058. AUTHORITY TO FORM CAPTIVE INSURANCE OR
 1-53 CAPTIVE MANAGEMENT COMPANY. (a) In this section, "captive
 1-54 insurance company" and "captive management company" have the
 1-55 meanings assigned to those terms by Section 964.001, Insurance
 1-56 Code.

1-57 (b) A district, a combination of districts, or a nonprofit
 1-58 corporation formed by a district or a combination of districts to
 1-59 further the purposes of the district or districts, as appropriate,
 1-60 may form a captive insurance company or a captive management
 1-61 company in accordance with the provisions of Chapter 964, Insurance

2-1 Code, for the purpose of engaging in the business of insurance under
2-2 that chapter.

2-3 SECTION 4. This Act takes effect immediately if it receives
2-4 a vote of two-thirds of all the members elected to each house, as
2-5 provided by Section 39, Article III, Texas Constitution. If this
2-6 Act does not receive the vote necessary for immediate effect, this
2-7 Act takes effect September 1, 2015.

2-8

* * * * *