

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 274
By: Van de Putte
Intergovernmental Relations
2/15/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the Tax Increment Financing Act identifies a hospital district as a participating taxing unit. This permits hospital ad valorem tax to be considered as potential revenue in reinvestment zone development. Such zones, while well intentioned, re-direct limited health care dollars away from medical or hospital uses. This re-direction of revenue is not congruent with the Bexar County Hospital District's mission. As proposed, C.S.S.B. 274 ensures that hospital district ad valorem taxes collected in Bexar County may be used only for medical and hospital purposes.

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 Chapter 281E, Health and Safety Code, by adding Section 281.095, as follows:

Sec. 281.095. PROHIBITION AGAINST PARTICIPATION IN TAX INCREMENT FINANCING: BEXAR COUNTY HOSPITAL DISTRICT. (a) Defines "district."

(b) Prohibits the district from entering into a contract or agreement to pay into a tax increment fund any of the district's tax increment produced from property located in a reinvestment zone under Chapter 311(Tax Increment Financing Act), Tax Code. Provides that this subsection does not affect the validity of an agreement entered into by the district before September 1, 2001, to pay a portion of the district's tax increment into a tax increment fund under Chapter 311, Tax Code.

(c) Prohibits the proceeds of a tax imposed under Section 281.121 from being used to make a payment into a tax increment fund under Chapter 311, Tax Code, if that payment is prohibited by this section.

(d) Prohibits a project plan or reinvestment zone financing plan approved under Section 311.011, Tax Code, on or after September 1, 2001, from including any of the district's tax increment or any other funds derived from the district as a source of revenue to finance or pay project costs.

(e) Prohibits a project plan or reinvestment zone financing plan approved under Section 311.011, Tax Code, before September 1, 2001, from being amended on or after September 1, 2001, for certain stated purposes.

(f) Prohibits an agreement entered into by the district under Section 311.013(f), Tax Code, before September 1, 2001, from being amended on or after September 1, 2001, to include any of the conditions prohibited by Subsection (e)

SECTION 2. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from As Filed S.B. 274 by amending Chapter 281E, Health and Safety Code; adding new Section 281.095 rather than amending Sections 281.051 and 281.121, Health and Safety Code; and Sections 311.002(4), 311.011, and 311.013(f), Tax Code; and providing conditions of implementation.

SECTION 2. Effective date for C.S.S.B. 274 is September 1, 2001, no change from As Filed S.B. 274.