

BILL ANALYSIS

Senate Research Center
77R10485 JMG-D

C.S.S.B. 944
By: Van de Putte
Intergovernmental Relations
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, hospital districts are partially funded by ad valorem taxes to help offset the rising cost of providing quality health care to needy and indigent populations. Texas law permits participation by hospital districts in tax abatement agreements. One effect of this participation is to delay the receipt of ad valorem tax revenue by hospital districts. C.S.S.B. 944 prohibits the participation by the Bexar County, El Paso County, Harris County, and Nueces County hospital districts in tax abatement agreements.

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 ABATEMENT AGREEMENT: BEXAR COUNTY HOSPITAL DISTRICT, EL PASO COUNTY HOSPITAL DISTRICT, HARRIS COUNTY HOSPITAL DISTRICT, AND NUECES COUNTY HOSPITAL DISTRICT. (a) Defines "district."

(b) Prohibits the district from entering into a contract or agreement to participate in a tax abatement agreement under Section 311.0125 (Tax Abatement Agreements), Tax Code, or Chapter 312 (Property Redevelopment and Tax Abatement Act), Tax Code. Provides that this subsection does not affect the validity of a tax abatement agreement entered into by the district before September 1, 2001.

(c) Prohibits a tax abatement agreement entered into before September 1, 2001, from being amended on or after that date to increase the amount of the tax abatement or to increase the time during which the district may participate in the tax abatement agreement.

(d) Prohibits an agreement entered into before September 1, 2001, from including in any amendment made on or after September 1, 2001, any of the conditions prohibited by Subsection (c).

SECTION 2. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from the original in SECTION 1 by adding the El Paso County and Nueces County hospital districts to the heading of proposed Section 281.095 and to the definition of "district."