

BILL ANALYSIS

Senate Research Center
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S.B. 1501
By: West, Royce
Finance
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Large public hospitals face increasing numbers of indigent and uncompensated out-of-county health care cases. This results in mounting debts being incurred by public hospitals.

As proposed, S.B. 1501 creates a new revenue source to address these expenses by assessing a fee on international wire transfers. By charging a nominal fee for each currency transmission, the state could raise funds to be remitted to the counties to offset emergency health care costs and uncompensated out-of-county costs faced by each county.

The fee would be one-half of one percent of the total amount wired abroad and would be remitted to the comptroller of public accounts (comptroller) each quarter. The comptroller would then distribute the fee back to the county, which could use it only for indigent health care expenses.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of public accounts in SECTION 4 (Sec. 278.152, Finance Code).

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 278.001, Finance Code, to provide that the definitions in that section apply in this chapter, except as otherwise provided by Subchapter B or D, rather than without exception. Redefines "currency transmission business."

SECTION 2. Amends Subchapter B, Chapter 278, Finance Code, by adding Section 278.054, as follows:

Sec. 278.054. APPLICABILITY. Defines, for purposes of this subchapter, "currency transmission business."

SECTION 3. Amends Section 278.101(a), Finance Code, to provide that a person who knowingly violates Subchapter B, rather than violates this chapter, is liable to the state for a certain civil penalty for each violation. Authorizes the attorney general or the prosecuting attorney in the county in which the violation occurs to bring: a suit to recover the civil penalty imposed under this section; and an action in the name of the state to restrain or enjoin a person from violating Subchapter B, rather than from violating this chapter.

SECTION 4. Amends Chapter 278, Finance Code, by adding Subchapter D, as follows:

SUBCHAPTER D. CURRENCY TRANSMISSION FEE

Sec. 278.151. DEFINITIONS. Defines, for this subchapter, "currency transmission" and "currency transmission business."

Sec. 278.152. FEE ON CERTAIN CURRENCY TRANSMISSIONS. (a) Requires a person who engages in currency transmission to impose a fee on currency transmission destined from this state to a destination outside the United States. Specifies the amount of the fee.

(b) Requires a currency transmission business to remit the fee imposed by this section to the comptroller of public accounts (comptroller) each quarter in the manner prescribed by the comptroller.

(c) Requires the comptroller to adopt any necessary rules for the administration, payment, collection, remittance, and enforcement of the fee imposed by this section.

Sec. 278.153. TRUST ACCOUNT. Requires the comptroller to deposit the fees collected by the comptroller under this subchapter in trust in the separate suspense account of the county from which the taxes were collected.

Sec. 278.154. DISTRIBUTION OF TRUST FUNDS. Requires the comptroller, at least twice during each state fiscal year and at other times as often as feasible, to send to the county treasurer payable to the county the county's share of the fees collected by the comptroller under this subchapter.

Sec. 278.155. STATE'S SHARE. Requires the comptroller, before sending any money to a county under this subchapter, to deduct two percent of the amount of the fees collected within the county during the period for which a distribution is made as the state's charge for its services under this subchapter and to credit the money deducted to the general revenue fund.

Sec. 278.156. AMOUNTS RETAINED IN TRUST ACCOUNT. (a) Authorizes the comptroller to retain in the suspense account of a county a portion of the county's share of the fee collected for the county under this subchapter, not to exceed five percent of the amount remitted to the county. Prohibits, if the fee is abolished or the law imposing the fee is repealed, the amount that may be retained from exceeding five percent of the final remittance to the county at the time of the termination of the collection of the fee.

(b) Authorizes the comptroller, from the amounts retained in a county's suspense account, to make refunds for overpayments to the account and to redeem dishonored checks and drafts deposited to the credit of the account.

Sec. 278.157. INTEREST ON TAX REVENUE. Requires interest earned on all deposits made with the comptroller under this subchapter, including interest earned from the suspense accounts retained under Section 278.156, to be credited to the general revenue fund.

Sec. 278.158. USE OF FEE REVENUE FOR INDIGENT HEALTH CARE. (a) Provides that, except as provided by Subsection (b) or (c), the money received by a county under this subchapter is for the use and benefit of the county. Requires the county to use the money only for indigent health care purposes.

(b) Requires, the money received by the county under this chapter to be received only for the use and benefit of the hospital district, if a county has a countywide hospital district.

(c) Requires, if territory within the county is included in the boundaries of one or more hospital districts that are not countywide, the money received by the county under this subchapter to be used only for indigent health care purposes and allocated in a certain way.

SECTION 5. Provides that the fees imposed under Subchapter D, Chapter 278, Finance Code, as added by this Act, apply only to currency transmissions that occur on or after October 1, 2005.

SECTION 6. Requires the comptroller, not later than October 1, 2005, to adopt rules as necessary to implement Subchapter D, Finance Code, as added by this Act.

SECTION 7. Effective date: upon passage or September 1, 2005.