

## CHAPTER 457

## H.B. No. 344

## AN ACT

relating to indigent health care.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 1.02(5), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended to read as follows:

(5) "General revenue levy" means:

(A) the property taxes imposed by a county that are not dedicated to the construction and maintenance of farm-to-market roads or to flood control under Article VIII, Section 1-a, of the Texas Constitution, or dedicated to the further maintenance of the public roads under Article VIII, Section 9, of the Texas Constitution; and

(B) the sales and use tax revenue to be received by the county during the calendar year in which the state fiscal year begins under the County Sales and Use Tax Act (Article 2353e, Vernon's Texas Civil Statutes), as determined under Section 26.042(c), Tax Code.

SECTION 2. Sections 1.06(b) and (c), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) To the extent necessary to provide efficient administration at the county level, the department may simplify the AFDC-Medicaid standards and procedures used by the department. In establishing simplified standards and procedures for county administration, the department may not adopt a standard or procedure that is more restrictive than the AFDC-Medicaid standards or procedures. The department must ensure that each person who meets the basic income and resources requirements for AFDC payments but who is categorically ineligible for AFDC will be eligible for assistance under Title 2 of this Act. *Department rules must also provide that a person who receives or is eligible to receive AFDC, SSI, or Medicaid benefits is not eligible for assistance under Title 2 of this Act even if the person has exhausted a part or all of that person's AFDC, SSI, or Medicaid benefits.*

(c) Department rules relating to the application and documentation procedures must require each applicant to provide at least the following information:

- (1) the applicant's full name and address;
- (2) the applicant's social security number, if available;
- (3) the size of the applicant's household, excluding persons receiving AFDC, ~~or~~ SSI, or Medicaid benefits;
- (4) the applicant's county of residence;
- (5) the existence of insurance coverage or other hospital or health care benefits for which the applicant is eligible;
- (6) any transfer of title to real property that the applicant has made in the previous 24 months;
- (7) the applicant's annual household income, excluding the income of any household member receiving AFDC, ~~or~~ SSI, or Medicaid benefits; and
- (8) the applicant's liquid assets and the equity value of the applicant's car and real property.

SECTION 3. Sections 2.04(c) and (k), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), are amended to read as follows:

(c) Not later than the beginning of a state ~~county's~~ fiscal year, the county shall specify the procedures it will use during that fiscal year to verify eligibility and the documentation required to support a request for assistance and shall make a reasonable effort to notify the public of the application procedures.

(k) Each county shall maintain the records relating to each application ~~[for]~~ at least *until the end of the third complete fiscal year of the state following* ~~[three years after]~~ the date on which the application was submitted.

SECTION 4. Sections 3.04(b) and (c), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) If a county has not selected a mandated provider, *the county may require a provider to obtain approval from the county before providing nonemergency health care services to an eligible resident of that county* ~~[of nonemergency health care services shall inform the county of residence of any services provided to a patient who resides in that county and who is eligible for assistance under this title as provided by Subsection (c) of this section].~~

(c) *If a county does not require prior approval and a provider delivers or will deliver nonemergency health care services to a patient who the provider suspects may be eligible for assistance under this title, as soon as possible after determining the patient's county of residence, the provider must notify the patient's county of residence by telephone that health care services have been or will be provided to the patient. The provider must also notify the patient's county of residence by mail postmarked not later than the third working day after determining the patient's county of residence.*

SECTION 5. Section 3.05(f), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended to read as follows:

(f) Not later than the 14th day after the patient's county of residence receives notification and *sufficient* ~~[any available]~~ information to determine eligibility, the county shall determine if the patient is eligible for assistance from that county. If the county does not determine the patient's eligibility within the 14-day period, the patient is considered to be eligible.

SECTION 6. Section 4.03, Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4.03. **LIMITATION.** (a) County liability for health care services provided by all providers of assistance, including hospitals and skilled nursing facilities, to an eligible resident of that county who does not reside within the area that a public hospital or hospital district has a legal obligation to serve is limited to a maximum total payment of \$30,000 for all services provided to that resident during *a state* ~~[the county's]~~ fiscal year.

(b) If a county provides hospital or skilled nursing facility services to an eligible resident of that county who does not reside within the area that a public hospital or hospital district has a legal obligation to serve, the county's liability is limited to payment for a total of 30 days of hospitalization, or treatment in a skilled nursing facility, or both, during *a state* ~~[the county's]~~ fiscal year or a maximum total payment of \$30,000 for all services provided to that eligible resident during that fiscal year, whichever occurs first.

SECTION 7. The Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes) is amended by adding Section 4.04 to read as follows:

*Sec. 4.04. DEDICATED TAX REVENUES. If the commissioners court of a county adopts a property tax rate that exceeds the rate calculated under Section 26.04, Tax Code, by more than eight percent, and if a portion of the tax rate was designated to provide revenue for indigent health care services required by this Act, the revenue produced by the portion of the tax rate designated for that purpose may be spent only to provide indigent health care services.*

SECTION 8. Section 5.02, Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended by amending Subsections (b), (c), (f), and (g) and by adding Subsection (i) to read as follows:

(b) Except as provided by Subsection (c) of this section, to be eligible for state assistance, a county must:

(1) expend in a *state* fiscal year at least 10 percent of the county general revenue levy for that year to provide mandatory health care services to eligible residents of that county who do not reside within the area that a public hospital or hospital district has a legal obligation to serve and who qualify for assistance under Section *1.06* ~~[5.01]~~ of this Act;

provided that if by contract signed on or before January 1, 1985, between a county and a health care provider the provider agrees to furnish a certain level of health care services to indigent persons, the value of services furnished within a *state* [county's] fiscal year pursuant to such contract shall be included as part of the calculation of a county expenditure under this section so long as the value of services shall not exceed the payment rate established by the department under Section 1.06 of this Act; and

(2) notify the department, not later than the seventh day after the date on which the county has reached the expenditure level, that the county has expended at least eight percent of the applicable county general revenue levy for that year to provide mandatory health care services to eligible residents of that county who do not reside within the area that a public hospital or hospital district has a legal obligation to serve and who qualify for assistance under Section 1.06 [5.01] of this Act.

(c) If a hospital district is located in part but not all of a county, that county's appraisal district shall determine the taxable value of the property located inside the county but outside the hospital district. In determining eligibility for state assistance, that county shall consider only the county general revenue levy resulting from the property located outside the hospital district. A county is eligible for state assistance if the county expends *in a state fiscal year* at least 10 percent of the county general revenue levy for that year resulting from the property located outside the hospital district to provide mandatory health care services to eligible residents of that county who do not reside within the area that a public hospital or hospital district has a legal obligation to serve and who qualify for assistance under Section 1.06 [5.01] of this Act, and if the county complies with the other requirements of this subtitle.

(f) If the department determines that the county has met the requirements of Subsection (b) or (c) of this section and is eligible for assistance, the department shall distribute funds appropriated to the department from the indigent health care assistance fund or any other available fund to the county to assist the county in providing mandatory health care services to eligible residents of that county who do not reside within the area that a public hospital or hospital district has a legal obligation to serve and who qualify for assistance under Section 1.06 [5.01] of this Act.

(g) State funds shall be equal to 80 percent of the actual payment for health care services for eligible residents of that county who do not reside within the area that a public hospital or hospital district has a legal obligation to serve during the remainder of the *state fiscal year* after the 10 percent expenditure level has been reached.

(i) *In determining eligibility for state assistance during the state fiscal years beginning on September 1, 1987, 1988, or 1989, each county shall subtract from its general revenue levy for that year the amount of revenue that in the preceding year was dedicated to provide indigent health care services required under this Act. During the 1987, 1988, or 1989 state fiscal year, a county is eligible for state assistance if the county expends as prescribed by this Act an amount equal to at least 10 percent of the amount computed by subtracting from the county general revenue levy for that year the amount that in the preceding year was dedicated to provide indigent health care services required under this Act. This subsection expires September 1, 1990.*

SECTION 9. Section 5.03, Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 5.03. DUTY OF STATE PROPERTY TAX BOARD AND COMPTROLLER. The State Property Tax Board shall give the department information relating to the taxable value of property taxable by each county and each county's applicable general revenue tax levy for the relevant period. *The comptroller shall give the department information relating to the amount of sales and use tax revenue received by each county for the relevant period.*

SECTION 10. Sections 11.05(b) and (c), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) If a public hospital has not selected a mandated provider, the *hospital may require a provider to obtain approval from the hospital before providing nonemergency health care services to an eligible resident of the area that the hospital has a legal*

~~obligation to serve [of nonemergency health care assistance shall inform the hospital serving the area in which a patient eligible for assistance under this title resides of any nonemergency health care services provided to that patient as prescribed by Subsection (c) of this section].~~

(c) *If a public hospital does not require prior approval and a provider delivers or will deliver nonemergency health care services to a patient that the provider suspects might be eligible for assistance under this title, as soon as possible after determining that the patient resides within the area served by a public hospital, the provider must notify that hospital by telephone that health care services have been or will be provided to that patient. The provider must also notify the public hospital by mail postmarked not later than the third working day after determining that the patient resides within the area served by the hospital.*

SECTION 11. The Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes) is amended by adding Section 12.04 to read as follows:

*Sec. 12.04. DEDICATED TAX REVENUES. If the governing body of a governmental entity adopts a property tax rate that exceeds the rate calculated under Section 26.04, Tax Code, by more than eight percent, and if a portion of the tax rate was designated to provide revenue for indigent health care services required by this Act, the revenue produced by the portion of the tax rate designated for that purpose may be spent only to provide indigent health care services.*

SECTION 12. Section 14.01, Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), is amended to read as follows:

*Sec. 14.01. EFFECT OF TRANSFER. (a) Notwithstanding any other provision of law, if a governmental entity that owned, operated, or leased a public hospital sold or leased that hospital to another person or entity on or after January 1, 1985, but before September 1, 1986, that governmental entity assumed and retains the obligation to provide the health care assistance under this Act that the hospital would have had on September 1, 1986, if the hospital had not been sold or leased. If a governmental entity that owns, operates, or leases a public hospital closes that hospital or sells or leases that hospital to another person or entity on or after September 1, 1986, that governmental entity assumes and retains the hospital's obligation to provide the health care assistance under this Act that the hospital has on the date it is closed, sold, or leased [public hospital owned, operated, or leased by a governmental entity is sold or leased to another person on or after January 1, 1985, the sale or lease of the public hospital does not affect the governmental entity's obligation to continue to serve residents who were eligible for assistance during the hospital's last full operating year that ended before January 1, 1985, or the obligation to provide the health care services the public hospital provided during that period].*

*(b) A governmental entity that closes a public hospital or sells or leases the hospital to another person or entity and thereby assumes and retains the hospital's obligation to provide health care assistance under this Act shall adopt the eligibility standards the public hospital was or would have been required to adopt and shall provide the same services the public hospital was or would have been required to provide under this Act.*

*(c) Notwithstanding Subsections (a) and (b) of this section, if a hospital district that owns, operates, or leases a public hospital dissolves, the district has no responsibility under this Act. If on or before dissolution the district sold or transferred its hospital to another governmental entity, that governmental entity assumes the district responsibility to provide health care services in accordance with Title 3 of this Act. If the district did not sell or transfer the hospital to another governmental entity, the county shall provide health care services to the residents that the district had a legal obligation to serve in accordance with Title 2 of this Act.*

SECTION 13. Section 26.07, Tax Code, is amended by amending Subsection (h) and adding Subsections (i) and (j) to read as follows:

*(h) Notwithstanding Subsection (a) of this section, if the amount of 1987 or 1988 property taxes that [in the first year after the effective date of this Act] the governing*

body of a taxing unit other than a school district *determines is required* [~~increases its tax rate~~] to provide health care services that the governing body is required to provide to its residents under the Indigent Health Care and Treatment Act (*Article 4438f, Vernon's Texas Civil Statutes*) [~~(S.B. 1, Acts of the 69th Legislature, 1st Called Session, 1985)~~] *exceeds the amount of the unit's property taxes for the preceding year imposed to provide those required services*, the adopted tax rate that allows voters to seek to reduce the tax rate under this section must exceed the rate calculated under Section 26.04 of this code by eight percent plus *the* [~~that~~] rate that [~~which~~], applied to the total taxable value submitted to the governing body, would impose taxes in an amount equal to the amount of property taxes to be imposed for the current year that [~~which~~] the governing body determines is [~~would be~~] required to [~~pay out of property taxes to~~] provide services required by the Indigent Health Care and Treatment Act less the amount [~~the governing body paid out~~] of the unit's property taxes for the preceding year imposed to provide those required [~~the equivalent~~] services. For purposes of this section, the amount of taxes determined to be required to provide the required health care services or imposed for the preceding year to provide those services does not include taxes for which the governing body receives or expects to receive [~~in the preceding year and less any~~] state reimbursement [~~which the governing body expects to receive~~] pursuant to Subtitle D of Title 2 of the Indigent Health Care and Treatment Act.

(i) *This subsection applies in 1987 or 1988 to a taxing unit for which the adopted tax rate that allows the voters to seek to reduce the rate under this section is calculated under Subsection (h) of this section for that year. Notwithstanding Subsection (e) of this section, if in an election held under this section a majority of the qualified voters voting on the question in the election favor the proposition to limit the tax rate of the taxing unit, the tax rate for the taxing unit for the current year is the tax rate that exceeds the rate calculated under Section 26.04 of this code by eight percent plus the additional rate calculated as provided by Subsection (h) of this section for that year for increased property taxes to provide health care services required by the Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes).*

(j) *Subsections (h) and (i) of this section and this subsection expire June 1, 1989.*

SECTION 14. Article 2351, Revised Statutes, as amended by Chapter 480, Acts of the 69th Legislature, Regular Session, 1985, and by Chapter 1, Acts of the 69th Legislature, 1st Called Session, 1985, is amended to read as follows:

Art. 2351. CERTAIN POWERS SPECIFIED. Each commissioners court shall:

1. Establish public ferries whenever the public interest may require.
2. Lay out and establish, change and discontinue public roads and highways.
3. Build bridges and keep them in repair.
4. Appoint road overseers and apportion hands.
5. Exercise general control over all roads, highways, ferries and bridges in their counties.
6. Provide and keep in repair court houses, jails and all necessary public buildings.
7. Provide for the protection, preservation and disposition of all lands granted to the county for education or schools.
8. Provide seals required by law for the district and county courts.
9. Audit and settle all accounts against the county and direct their payment.
10. Provide for the support of paupers and such idiots and lunatics as cannot be admitted into the lunatic asylum, residents of their county, who are unable to support themselves. A county is obligated to provide health care assistance to eligible residents only to the extent prescribed by the Indigent Health Care and Treatment Act (*Article 4438f, Vernon's Texas Civil Statutes*), but that Act does not affect the authority of a commissioners court to provide eligibility standards or other requirements relating to other assistance programs or services that are not covered by the Indigent Health Care and Treatment Act.

11. Provide for the burial of paupers.
12. Punish contempts by fine not to exceed twenty-five dollars or by imprisonment not to exceed twenty-four hours, and in case of fine, the party may be held in custody until the fine is paid.
13. Issue all such notices, citations, writs and process as may be necessary for the proper execution of the powers and duties imposed by such court and to enforce its jurisdiction.
14. Said court shall have all such other powers and jurisdiction, and shall perform all such other duties, as are now or may hereafter be prescribed by law.
15. Said Court shall have the authority to use county road machinery and funds from the General Fund or Road and Bridge Funds in cleaning streams and in aiding flood control when such improvements are deemed to be of aid to the county in the maintenance and the building of county roads, in counties having a population of from nineteen thousand, eight hundred and fifty (19,850) to nineteen thousand, eight hundred and ninety-five (19,895) according to the last Federal Census.
16. a. The Commissioners Court of each county of this State, in addition to the powers already conferred on it by law, is hereby empowered to create a revolving fund or funds and to make appropriations thereto out of the general revenue of such county; and such revolving fund shall be used by such county only in cooperation with the United States Department of Agriculture to aid and assist in carrying out the purposes and provisions of an Act of Congress of the United States pertaining to the distribution of commodities to persons in need of assistance, under the direction of the United States Department of Agriculture; provided, however, that the county shall have on hand at all times either the moneys appropriated to such revolving fund or funds or the equivalent thereof in stamps issued by the United States Department of Agriculture under the Food and/or Cotton Stamp Plan, which stamps are convertible into cash at any time.
  - b. In such counties of this State exercising the powers herein granted, an issuing officer shall be appointed to carry out the provisions of this Act and to administer the funds herein appropriated. Such issuing officer shall be a citizen of the State of Texas and appointed by the County Judge of such County subject to the approval of the Commissioners Court thereof. He shall be required to furnish a good and sufficient surety bond in such amount and upon such terms and conditions as may be required by the Commissioners Court and the United States Department of Agriculture. Such issuing officer shall receive a salary, to be paid out of the general fund or any other fund of the county, except constitutional funds, not otherwise appropriated, not to exceed Two Hundred Dollars (\$200) per month, and may appoint such cashiers and other assistants as may be authorized by such Court. The premiums of all bonds which may be required of such issuing officer, cashiers or other assistants, shall be paid by the Commissioners Court out of any available funds therefor belonging to such county.
  - c. Provided however the powers herein granted to such counties may be exercised by two (2) or more counties in conjunction with each other and in cooperation with the United States Department of Agriculture. And when such powers are exercised by two (2) or more counties jointly, the County Judges of such counties shall appoint the issuing officer, fix such appointee's bond and do all other things necessary to cooperate with the United States Department of Agriculture in the same and like manner as is herein granted to any one county of this State.
  - d. Provided that such Commissioners Courts of such counties may cooperate with any incorporated city or town within such county or counties on such conditions and requirements as may be promulgated by such Commissioners Court or Courts.
  - e. Whenever any county herein authorized to create such a revolving fund ceases to participate therein the issuing officer appointed under the provisions hereof shall forthwith reduce all stamps to their equivalent in money and return such moneys then on hand to the fund from which same was originally appropriated and render a full account of his administration thereof to the Commissioners Court or Courts as the case may be.
17. (a) The Commissioners Court of each county of this State, in addition to the powers already conferred on it by law, is empowered in all cases where said county has

heretofore acquired, or may hereafter acquire, land for an airport through purchase or gift from any person or source whatever, including the Federal Government, or any agency thereof, to lease said land and/or the facilities thereof, or any part thereof to any person or corporation upon such terms as the Commissioners Court shall deem advisable for airport purposes, or other purposes, provided any such lease is not inhibited by the terms of the grant to such county. Said counties through such Commissioners Courts are also hereby expressly authorized and empowered to contract with reference to oil, gas or other minerals or natural resources which may be vested in said counties by virtue of the ownership of such airports and to execute and deliver to any person upon such conditions and for such consideration, including oil payments, gas payments, over-riding royalties, etc. as the Commissioners Court may deem advisable, mineral deeds or mineral leases of all or any part of said minerals, or the rights thereto, which are vested in the county and to generally contract for the exploration and development of the minerals underlying said land or any part thereof.

(b) The proceeds from the sale of any minerals or mineral rights, or the consideration for the execution of any mineral leases, including cash bonuses, delay rentals and royalties, need not be devoted to the maintenance, upkeep, improvement and operation of such airport, but may be expended by the Commissioners Court for any lawful purpose.

(c) The proceeds received, or to be received from any person from the lease of the surface of said land, or from the lease of the facilities thereof, or any part thereof, for purposes other than airport purposes, or for purposes other than those relating to the operation of an airport, may likewise be expended by the Commissioners Court for any lawful purpose.

(d) The proceeds received, or to be received, from any person for any lease of the surface of said land, or for the lease of the facilities thereof, or any part thereof, for airport purposes, or for purposes related to the operation of an airport, shall be devoted, first, to the maintenance, upkeep, improvement and operation of such airport and the facilities, structures and improvements thereof, but any surplus remaining at the close of any fiscal year of operation may be expended by such Commissioners Court for any lawful purpose.

(e) The proceeds received, or to be received, from any charges for the use of said airport for airport purposes shall be devoted, first, to the maintenance, upkeep, improvement and operation of such airport and the facilities, structures and improvements thereof, but any surplus remaining at the close of the fiscal year of operation may be expended by the Commissioners Court for any lawful purpose.

18. (a) The Commissioners Court of each county of this State, in addition to the powers already conferred upon it by law, is expressly authorized and empowered to contract with the United States Government, or with any agency thereof, and particularly with the Federal Works Administrator, the Housing and Home Finance Administrator, and/or the National Housing Administrator, or their successor or successors, for the acquisition of any land, or interest in land, in such county, owned by the United States Government, or any agency thereof, and for the acquisition of any temporary housing on land which the United States Government, or any agency thereof, may own or control; and each such county in this State is authorized and empowered to acquire by purchase, gift or otherwise, any such land and any such housing from the United States Government, or any agency thereof, and to own and operate such land and housing.

(b) Each Commissioners Court in this State is authorized and empowered to adopt a resolution or order requesting the transfer to said county of any such land or housing, or interest therein, which the United States Government, or any agency thereof, is now, or may be hereafter, authorized to convey or transfer to such county, and each such county, through its Commissioners Court, is expressly authorized and empowered to bind itself to comply with any and all terms and conditions which the United States Government, or any agency thereof, may impose as a prerequisite to the transfer or conveyance of any of such land or housing, or either of them, or any interest therein; and any instrument or deed conveying to said county any such land or any such housing, or any interest therein, may contain any conditions and provisions, covenants and warranties which may be prescribed by the United States Government, or any agency thereof, and agreed upon by

said county acting through its Commissioners Court, provided that such terms and conditions are not inhibited by the Constitution of the State of Texas.

(c) For the purpose of purchasing or otherwise acquiring said lands or housing, or both, and improving, enlarging, extending or repairing the same, the Commissioners Court of any county may issue negotiable bonds of the county and levy taxes to provide for the interest and sinking funds of any such bonds so issued, the authority hereby granted for the issuance of such bonds and the levying and collection of such taxes to be exercised in accordance with the provisions of Chapter 1 of Title 22 of the Revised Statutes.

(d) Counties are expressly authorized and empowered to lease or rent any lands, housing, or facilities acquired by them pursuant to this Act and to establish and revise the terms, rent or charges therefor; to arrange or contract for the furnishing by any person, agency, public or private, of services, or of facilities for, or in connection with, any of said lands, housing or facilities, or the occupants thereof.

(e) Said counties are further authorized to sell and convey all or any part of the lands or housing so acquired or to lease or exchange same; and said counties are further expressly authorized to execute oil, gas or mineral leases covering all or any part of the lands so acquired on such terms and conditions as may be deemed advisable by the Commissioners Court and for such consideration, including oil payments, gas payments, overriding royalties, etc. as may be deemed advisable; and such counties, through their Commissioners Courts, are expressly authorized and empowered to execute conveyances of minerals or mineral rights, and to generally contract for the exploration and development of the minerals underlying said land, if any, or any part thereof.

19. The Commissioners Court of each county of this State, in addition to the powers already conferred on it by law, is authorized and empowered in all cases where such county has acquired a water supply from subterranean waters for county purposes, to sell, contract to sell and deliver any or all of such water which is not needed for county purposes to any public or municipal corporation, or political subdivision of this State, including any water control and improvement district, or fresh water supply district not created and existing, or which may hereafter be created under the laws of this State; and such water sold or contracted to be sold and delivered to any such public or municipal corporation or political subdivision of this State, may be used or re-sold for any lawful purpose; and said Commissioners Court shall have the right to fix and determine the rates or rates at which such water shall be sold to any such public or municipal corporation or political subdivision of this State, and to enter into contracts to sell and supply such water at such determined rate or rates for any term of years not exceeding forty (40); and the monies received by the county from the sale of such water shall be placed to the credit of the General Fund of the county and may be expended for general county purposes as now or hereafter permitted by law.

SECTION 15. (a) This Act takes effect September 1, 1987.

(b) The change in law made by this Act to Section 26.07, Tax Code, applies to the tax rate of a taxing unit for 1987 taxes even if the rate is set before the effective date of this Act, unless an election is called under that section to limit the unit's 1987 tax rate before the effective date of this Act.

SECTION 16. The importance of this legislation and the crowded condition of the legislative calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 6, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 344 on May 19, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 15, 1987, by a viva-voce vote.

Approved June 17, 1987.

Effective Sept. 1, 1987.