

BILL ANALYSIS

Senate Research Center
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S.B. 1543
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The percentage of physicians who accept Medicaid patients has been declining for years. A 2012 survey conducted by the Texas Medical Association showed that 31 percent of doctors accepted new Medicaid patients in 2012, compared to 67 percent in 2000. And, a 2014 survey of 15 large urban cities found that only 23 percent of Dallas Fort Worth area doctors accepted new Medicaid patients, as compared to the national average of 46 percent. To encourage the provision of medical services to low-income persons, S.B. 1843, as the enabling legislation for S.J.R. 61, permits a county commissioners court to grant up to a 50 percent residential appraisal exemption to physicians who treat residents who are indigent or Medicaid recipients without remuneration. The commissioners court will specify the number of residents to be treated to qualify for the exemption. That number may be expressed as a percentage of a physician's practice.

As proposed, S.B. 1543 amends current law relating to a local option exemption from ad valorem taxation by a county of a portion of the value of the residence homestead of a physician who provides health care services for which the physician agrees not to seek payment from any source, including the Medicaid program or otherwise from this state or the federal government, to indigent residents of the county.

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 Section 11.13, Tax Code, by amending Subsection (i) and adding Subsection (s), as follows:

(i) Authorizes the assessor and collector for a taxing unit to disregard the exemptions authorized by Subsection (b) (relating to certain tax exemptions for an individual), (c) (relating to an tax exemption for an individual who is disabled or is 65 years or older), (d) (relating to certain tax exemptions for an individual, or an individual who is disabled, or is 65 years or older), (n) (relating to the entitlement of an individual to a certain tax exemption), or (s), rather than disregard the exemptions authorized by Subsection (b), (c), (d), or (n), and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(s) Defines "qualifying county resident." Provides that, in addition to any other exemptions provided by this section, a licensed physician is entitled to an exemption from taxation by a county of a percentage, not to exceed 50 percent, of the appraised value of the physician's residence homestead, if the exemption is adopted by the commissioners court of the county in the manner provided by law for official action by

the commissioners court. Requires a physician, to be eligible to receive an exemption under this subsection, to provide health care services to qualifying county residents and not seek payment for those services from any source, including the Medicaid program or otherwise from this state or the federal government. Requires the commissioners court to specify in the order adopting the exemption the number of qualifying county residents to whom a physician must provide health care services during a tax year to be eligible to receive an exemption under this subsection. Authorizes the commissioners court to express the number as a percentage of the physician's total practice. Requires the commissioners court to submit to the chief appraiser a copy of the order adopting the exemption and any subsequent order adopted by the commissioners court that relates to the exemption. Authorizes the chief appraiser to require a physician seeking an exemption under this subsection to present additional information establishing eligibility for the exemption. Authorizes the commissioners court to repeal the exemption in the manner provided by law for official action by the commissioners court.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2018, contingent upon approval by the voters of the constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, relating to authorizing a local option exemption from ad valorem taxation by a county of a portion of the value of the residence homestead of a physician who provides health care services for which the physician agrees not to seek payment from any source, including the Medicaid program or otherwise from this state or the federal government, to county residents who are indigent or who are Medicaid recipients. Provides that, if that amendment is not approved by the voters, this Act has no effect.