

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 23, 2009

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2614 by Heflin (Relating to a county's general revenue levy for indigent health care.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2614, Committee Report 1st House, Substituted: a negative impact of (\$2,449,000) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,224,500)
2011	(\$1,224,500)
2012	(\$1,224,500)
2013	(\$1,224,500)
2014	(\$1,224,500)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$1,224,500)
2011	(\$1,224,500)
2012	(\$1,224,500)
2013	(\$1,224,500)
2014	(\$1,224,500)

Fiscal Analysis

The bill would amend the Health and Safety Code to add to the definition of "General Revenue Levy" for indigent health care, property taxes imposed by a county that are not dedicated to the payment of principal or interest on county debt. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

Methodology

By excluding property taxes collected for debt principal and interest payments, a county would be able to reach the required 8 percent of their general revenue tax levy more quickly when calculating indigent health care costs, resulting in more health care costs qualifying for state reimbursement.

The 2008 average cost to the state per county for indigent health care was \$122,450. It is not known how many counties would qualify sooner. For this analysis, it is assumed that at least an additional 10 counties could become eligible. Therefore, the increased cost to the state would be \$1,224,500. This analysis also assumes constant health care costs for fiscal years 2010–2014.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, DB, PP