

House Bill 2154
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SENATE VERSION

CONFERENCE

SECTION 1. Section 61.532(a), Education Code, is amended to read as follows:

(a) To be eligible to receive repayment assistance, a physician must:

~~(1) apply to the coordinating board [and have completed at least one year of medical practice:~~

~~[(1) in private practice in an economically depressed or rural medically underserved area of the state];~~

(2) at the time of application, be licensed to practice medicine under Subtitle B, Title 3, Occupations Code

~~[for one of the following state agencies:~~

~~[(A) Texas Department of Health;~~

~~[(B) Texas Department of Mental Health and Mental Retardation;~~

~~[(C) Texas Department of Corrections; or~~

~~[(D) Texas Youth Commission]; [or]~~

(3) have completed one, two, three, or four consecutive years of practice in a health professional shortage area designated by the Department of State Health Services;

and

(4) provide health care services to:

(A) recipients under the medical assistance program authorized by Chapter 32, Human Resources Code; or

(B) enrollees under the child health plan program authorized by Chapter 62, Health and Safety Code [for an approved family practice residency training program established under Subchapter I as a clinical faculty member and have completed training in an approved family practice residency training program on or after July 1, 1994].

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No equivalent provision.

SECTION 2. Section 61.533, Education Code, is amended to read as follows:

Sec. 61.533. LIMITATION. A physician may receive repayment assistance grants for ~~[each of]~~ not more than four ~~[five]~~ years.

No equivalent provision.

SECTION 4. Section 61.536, Education Code, is amended to read as follows:

Sec. 61.536. ADVISORY COMMITTEES. The coordinating board may~~[-~~
~~[(1)]~~ appoint advisory committees from outside the board's membership to assist the board in performing its duties under this subchapter~~[-and~~
~~[(2)]~~ ~~request the assistance of the Family Practice Residency Advisory Committee in performing those duties].~~

No equivalent provision.

SECTION 5. Section 61.537, Education Code, is amended to read as follows:

Sec. 61.537. RULES. (a) The coordinating board shall adopt rules necessary for the administration of this subchapter~~[-including a rule that sets a maximum amount of repayment assistance that may be received by a physician in one year and a rule that authorizes the Family Practice Residency Advisory Committee to establish priorities among eligible physicians for repayment assistance, by taking into account the degree of physician shortage, geographic locations, whether the physician is or will be providing service in a medically underserved area, and other criteria the committee~~

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~~considers appropriate~~].

(b) The coordinating board shall distribute to each medical unit ~~[and appropriate state agency]~~ and professional association copies of the rules adopted under this section and pertinent information in this subchapter.

No equivalent provision.

SECTION 6. Section 61.538, Education Code, is amended to read as follows:

Sec. 61.538. ~~[TOTAL]~~ AMOUNT OF REPAYMENT ASSISTANCE. (a) A physician may receive repayment assistance under this subchapter in the amount determined by board rule, not to exceed the following amounts for each year for which the physician establishes eligibility for the assistance:

- (1) for the first year, \$25,000;
- (2) for the second year, \$35,000;
- (3) for the third year, \$45,000; and
- (4) for the fourth year, \$55,000.

(b) The total amount of repayment assistance distributed by the board may not exceed the total amount of money available in the physician education loan repayment program account ~~[gifts and grants accepted by the board for repayment assistance, medical school tuition set aside under Section 61.539 of this code, and legislative appropriations for repayment assistance].~~

(c) The total amount of repayment assistance made under this subchapter to an individual physician may not exceed \$160,000.

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SECTION 7. Sections 61.539(b) and (c), Education Code, are amended to read as follows:

(b) The amount set aside shall be transferred to the comptroller of public accounts to be deposited in the physician education loan repayment program account established under Section 61.5391 ~~[maintained in the state treasury for the sole purpose of repayment of student loans of a physician serving in a designated state agency or in an area of this state that is economically depressed or that is a medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services, that has a current shortage of physicians]~~. Section 403.095, Government Code, does not apply to the amount set aside by this section.

(c) As soon as practicable after each state fiscal year, the comptroller shall prepare a report for that fiscal year of the number of students registered in a medical branch, school, or college, the total amount of tuition charges collected by each institution, the total amount transferred to the comptroller ~~[treasury]~~ under this section, and the total amount available in the physician education loan repayment program account ~~[under Subsection (b)]~~ for the repayment of student loans of physicians under this subchapter. The comptroller shall deliver a copy of the report to the board and to the governor, lieutenant governor, and speaker of the house of representatives not later than January 1 following the end of the fiscal year covered by the report.

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SECTION 9. Section 61.540, Education Code, is amended to read as follows:

Sec. 61.540. LOAN REPAYMENT ASSISTANCE ~~[SERVICE AGREEMENTS ENTERED INTO]~~ UNDER FORMER LAW; SAVING PROVISION. (a) This subsection ~~[section]~~ applies only to a person who entered into a written agreement to perform service as a physician in exchange for loan repayment assistance under this subchapter before September 1, 2003.

~~[(b)]~~ The agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

(b) A person receiving loan repayment assistance under this subchapter immediately before the effective date of the amendments made to this subchapter by the 81st Legislature, Regular Session, 2009, may continue to receive loan repayment assistance under this subchapter, as this subchapter applied to the person immediately before the effective date of those amendments, until the person is no longer eligible for loan repayment assistance under this subchapter, as this subchapter existed on that date, and the former law is continued in effect for that purpose.

(c) A person to whom this section applies is not eligible to receive repayment assistance under another provision of this subchapter.

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SECTION 1. Section 155.0211, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1), (b-2), (b-3), (b-4), (c), (d), and (e) to read as follows:

(b) Except as provided by Subsection (c), the [The] tax rate for each can or package of a tobacco product [products] other than cigars is \$1.22 per ounce and a proportionate rate on all fractional parts of an ounce [40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal].

(b-1) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2012, the tax rate for each can or package of a tobacco product other than cigars is \$1.19 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2013.

(b-2) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2011, the tax rate for each can or package of a tobacco product other than cigars is \$1.16 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2012.

(b-3) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2010, the tax rate for each can or package of a tobacco product other than cigars is \$1.13 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2011.

(b-4) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2009, the tax rate for each can or

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SECTION 10. Section 155.0211, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1), (b-2), (b-3), (b-4), (c), (d), and (e) to read as follows:

(b) Except as provided by Subsection (c), the [The] tax rate for each can or package of a tobacco product [products] other than cigars is \$1.22 per ounce and a proportionate rate on all fractional parts of an ounce [40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal].

(b-1) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2012, the tax rate for each can or package of a tobacco product other than cigars is \$1.19 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2013.

(b-2) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2011, the tax rate for each can or package of a tobacco product other than cigars is \$1.16 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2012.

(b-3) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2010, the tax rate for each can or package of a tobacco product other than cigars is \$1.13 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2011.

(b-4) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2009, the tax rate for each can or

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package of a tobacco product other than cigars is \$1.10 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2010.

(c) The tax imposed on a can or package of a tobacco product other than cigars that weighs less than 1.2 ounces is equal to the amount of the tax imposed on a can or package of a tobacco product that weighs 1.2 ounces.

(d) The computation of the tax under this section and the applicability of Subsection (c) shall be based on the net weight as listed by the manufacturer. The total tax to be imposed on a unit that contains multiple individual cans or packages is the sum of the taxes imposed by this section on each individual can or package intended for sale or distribution at retail.

(e) A change in the tax rate in effect for a state fiscal year that occurs in accordance with this section does not affect taxes imposed before that fiscal year, and the rate in effect when those taxes were imposed continues in effect for purposes of the liability for and collection of those taxes. This subsection expires December 1, 2013.

No equivalent provision.

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package of a tobacco product other than cigars is \$1.10 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2010.

(c) The tax imposed on a can or package of a tobacco product other than cigars that weighs less than 1.2 ounces is equal to the amount of the tax imposed on a can or package of a tobacco product that weighs 1.2 ounces.

(d) The computation of the tax under this section and the applicability of Subsection (c) shall be based on the net weight as listed by the manufacturer. The total tax to be imposed on a unit that contains multiple individual cans or packages is the sum of the taxes imposed by this section on each individual can or package intended for sale or distribution at retail.

(e) A change in the tax rate in effect for a state fiscal year that occurs in accordance with this section does not affect taxes imposed before that fiscal year, and the rate in effect when those taxes were imposed continues in effect for purposes of the liability for and collection of those taxes.

SECTION 11. Section 155.101, Tax Code, is amended to read as follows:

Sec. 155.101. RECORD OF PURCHASE OR RECEIPT. Each distributor, wholesaler, bonded agent, and export warehouse shall keep records at each place of business of all tobacco products purchased or received. Each retailer shall keep records at a single location, which the retailer shall designate as its principal place of

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business in the state, of all tobacco products purchased and received. These records must include the following, except that Subdivision (7) applies to distributors only and Subdivision (8) applies only to the purchase or receipt of tobacco products other than cigars:

- (1) the name and address of the shipper or carrier and the mode of transportation;
- (2) all shipping records or copies of records, including invoices, bills of lading, waybills, freight bills, and express receipts;
- (3) the date and the name of the place of origin of the tobacco product shipment;
- (4) the date and the name of the place of arrival of the tobacco product shipment;
- (5) a statement of the number, kind, and price paid for the tobacco products;
- (6) the name, address, permit number, and tax identification number of the seller;
- (7) the manufacturer's list price for the tobacco products; ~~and~~
- (8) the net weight as listed by the manufacturer for each unit; and
- (9) any other information required by rules of the comptroller.

SECTION 12. Section 155.102, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) In addition to the information required under Subsection (b), the records for each sale, distribution, exchange, or use of tobacco products other than cigars

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must show the net weight as listed by the manufacturer for each unit.

No equivalent provision.

SECTION 13. Section 155.103, Tax Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) In addition to the information required under Subsection (a), the records for each sale of tobacco products other than cigars must show the net weight as listed by the manufacturer for each unit.

(b) A manufacturer who sells tobacco products to a permit holder in this state shall file with the comptroller, on or before the last day of each month, a report showing the information required to be listed by Subsections ~~the Subsection~~ (a) and (a-1), if applicable, for the previous month.

No equivalent provision.

SECTION 14. Section 155.105(b), Tax Code, is amended to read as follows:

(b) The wholesaler or distributor shall file the report on or before the 25th day of each month. The report must contain the following information for the preceding calendar month's sales in relation to each retailer:

- (1) the name of the retailer and the address of the retailer's outlet location to which the wholesaler or distributor delivered cigars or tobacco products, including the city and zip code;
- (2) the taxpayer number assigned by the comptroller to the retailer, if the wholesaler or distributor is in possession of the number;

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- (3) the tobacco permit number of the outlet location to which the wholesaler or distributor delivered cigars or tobacco products; and
- (4) the monthly net sales made to the retailer by the wholesaler or distributor, including:
 - (A) the quantity and units of cigars and tobacco products sold to the retailer; and
 - (B) for each unit of tobacco products other than cigars, the net weight as listed by the manufacturer.

No equivalent provision.

SECTION 15. Section 155.111, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the information required under Subsection (b), the report must show the net weight as listed by the manufacturer for each unit of tobacco products other than cigars that is purchased, received, or acquired.

SECTION 2. Section 155.2415, Tax Code, is amended to read as follows:

Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND AND CERTAIN OTHER FUNDS. Notwithstanding Section 155.241, the [all] proceeds from the collection of taxes imposed by Section 155.0211 shall be allocated as follows:

(1) the amount of the proceeds that is equal to the amount that, if the taxes imposed by Section 155.0211 were imposed at a rate of 40 percent of the manufacturer's list price, exclusive of any trade discount,

SECTION 16. Section 155.2415, Tax Code, is amended to read as follows:

Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND AND CERTAIN OTHER FUNDS. Notwithstanding Section 155.241, the [all] proceeds from the collection of taxes imposed by Section 155.0211 shall be allocated as follows:

(1) the amount of the proceeds that is equal to the amount that, if the taxes imposed by Section 155.0211 were imposed at a rate of 40 percent of the manufacturer's list price, exclusive of any trade discount,

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~~special discount, or deal, would be~~ attributable to the portion of ~~that [the]~~ tax rate in excess of 35.213 percent ~~[of the manufacturer's list price, exclusive of any trade discount, special discount, or deal]~~, shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code;

~~(2) the amount of the proceeds that is equal to the amount that would be attributable to a tax rate of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, if the taxes were imposed by Section 155.0211 at that rate, shall be deposited to the credit of the general revenue fund; and~~

~~(3) 100 percent of the remaining proceeds shall be deposited to the credit of the physician education loan repayment program account under Chapter 61, Education Code.~~

SECTION 3. Section 61.535(a), Education Code, is amended to read as follows:

(a) The coordinating board shall deliver any repayment made under this subchapter in a lump sum:

(1) payable to both the lender and the physician, in accordance with federal law; or

(2) delivered directly to the lender on behalf of the physician in electronic form.

SECTION 4. Subchapter J, Chapter 61, Education Code, is amended by adding Section 61.5391 to read as follows:

Sec. 61.5391. PHYSICIAN EDUCATION LOAN

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~~special discount, or deal, would be~~ attributable to the portion of ~~that [the]~~ tax rate in excess of 35.213 percent ~~[of the manufacturer's list price, exclusive of any trade discount, special discount, or deal]~~, shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code;

~~(2) the amount of the proceeds that is equal to the amount that would be attributable to a tax rate of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, if the taxes were imposed by Section 155.0211 at that rate, shall be deposited to the credit of the general revenue fund; and~~

~~(3) 100 percent of the remaining proceeds shall be deposited to the credit of the physician education loan repayment program account~~ established under Subchapter J, Chapter 61, Education Code.

SECTION 3. Section 61.535(a), Education Code, is amended to read as follows:

(a) The coordinating board shall deliver any repayment made under this subchapter in a lump sum payable:

(1) to both the ~~[lender and the]~~ physician and the lender or other holder of the affected loan; or

(2) directly to the lender or other holder of the loan on the physician's behalf [, in accordance with federal law].

SECTION 8. Subchapter J, Chapter 61, Education Code, is amended by adding Section 61.5391 to read as follows:

Sec. 61.5391. PHYSICIAN EDUCATION LOAN

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REPAYMENT PROGRAM ACCOUNT. (a) The physician education loan repayment program account is an account in the general revenue fund. The account is composed of:

- (1) gifts and grants contributed to the fund;
- (2) earnings on the principal of the fund; and
- (3) other amounts deposited to the credit of the fund, including:

- (A) legislative appropriations; and
- (B) money deposited under Section 155.2415, Tax Code.

(b) Money in the fund may not be appropriated for any purpose except as provided by this section. Money in the fund shall be used to recruit and retain physicians in health professional shortage areas.

(c) To be eligible to receive repayment assistance, a physician must:

- (1) apply to the board;
- (2) be licensed in this state in the appropriate field of practice;
- (3) have completed one, two, three, or four consecutive years of practice in a health professional shortage area designated by the department; and
- (4) provide health care services to:
 - (A) recipients under the medical assistance program authorized by Chapter 32, Human Resources Code; or
 - (B) enrollees under the child health plan program

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REPAYMENT PROGRAM ACCOUNT. (a) The physician education loan repayment program account is an account in the general revenue fund. The account is composed of:

- (1) gifts and grants contributed to the account;
- (2) earnings on the principal of the account; and
- (3) other amounts deposited to the credit of the account, including:

- (A) money deposited under Section 61.539(b);
- (B) legislative appropriations; and
- (C) money deposited under Section 155.2415, Tax Code.

(b) Money in the account may not be appropriated for any purpose except

to provide loan repayment assistance to eligible physicians under this subchapter.

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authorized by Chapter 62, Health and Safety Code.

(d) A physician may receive repayment assistance under this subchapter in the amount determined by board rule, not to exceed the following amounts for each year for which the physician establishes eligibility for the assistance:

(1) for the first year, \$25,000;

(2) for the second year, \$35,000;

(3) for the third year, \$45,000; and

(4) for the fourth year, \$55,000.

(e) A physician may not receive repayment assistance under this subchapter for more than four consecutive years.

No equivalent provision.

No equivalent provision.

SECTION 5. The changes in law made by this Act in amending Chapter 155, Tax Code, do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect

SECTION 17. Sections 61.531(b) and (c) and 61.532(b), Education Code, are repealed.

SECTION 18. As soon as practicable after the effective date of this Act, the Texas Higher Education Coordinating Board shall adopt rules necessary to administer Subchapter J, Chapter 61, Education Code, as amended by this Act. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

SECTION 19. Same as House version.

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for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 6. This Act takes effect September 1, 2009.

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SECTION 20. Same as House version.

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