

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 31, 2017**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1543** by West (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.), **As Introduced**

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| <b>No fiscal implication to the State is anticipated.</b> |
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The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to permit a county commissioners court to exempt from county property taxation a percentage, not to exceed 50 percent, of the appraised value of the residence homestead of a licensed physician who provides health care services to indigent residents or Medicaid recipients of the county for which the physician agrees not to seek payment from any source.

The county commissioners court would be required to specify the number of indigent or Medicaid recipient county residents to whom a physician must provide health care services during a tax year to be eligible to receive the exemption. The county commissioners court would be permitted to express the required number of residents as a percentage of the physician's total practice. The bill would provide certain administrative procedures for the exemption, and the exemption would be in addition to any other property tax exemptions.

The bill, in and of itself, would have no fiscal impact on the state or units of local government. The associated constitutional amendment is self enabling; consequently any fiscal impact is shown in the fiscal note for the corresponding constitutional amendment (SJR 52).

The bill would take effect on January 1, 2018, contingent on voter approval of a constitutional amendment.

**Local Government Impact**

The fiscal impact of permitting a county commissioners court to exempt from county property taxation a percentage, not to exceed 50 percent, of the appraised value of the residence homestead of a licensed physician who provides health care services to indigent residents or Medicaid recipients of the county for which the physician agrees not to seek payment from any source is discussed in the fiscal note for the enabling resolution, SJR 52.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD, SJS