

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: SJR52 by West (Proposing a constitutional amendment 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.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$114,369.

The resolution would propose an amendment to Section 1-b of Article VIII of the Texas Constitution, to add new Subsection (n) to permit a county commissioners court to exempt from county property taxation a percentage, not to exceed 50 percent, of the assessed 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 exemption would be in addition to any other property tax exemptions, and the Legislature would be permitted to impose additional eligibility requirements.

The proposed constitutional amendment, if approved by the voters, would create a cost to counties that choose to grant the partial residence homestead exemption. The number of counties that would grant the optional exemption, the number of physicians who would qualify, and the amount of property value that would be exempted are unknown; consequently the cost of the amendment cannot be estimated. There would be no cost to the state (other than the cost of publication) or to local taxing units other than counties.

The cost to the state for publication of the resolution is \$114,369.

The proposed amendment would be submitted to voters at an election to be held November 7, 2017.

Local Government Impact

Passage of the resolution and voter approval of the amendment would permit a county commissioners court to exempt from county property taxation a percentage, not to exceed 50

percent, of the assessed 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. As a result, taxable property values and the related ad valorem tax revenue for counties that choose to grant the partial residence homestead exemption could be reduced. There would be no cost to local taxing units other than counties.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS