

BILL ANALYSIS

H.B. 457
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that many state health care programs serving indigent patients struggle to meet demand and consistently experience funding shortfalls that frustrate medical providers. Concerns have been raised regarding reported instances of patients experiencing exceedingly long wait times, which force the patient to locate other services beyond their community or risk further injury, illness, or even death. Additionally, arduous reimbursement processes and unattractive reimbursement rates for medical providers are two major reasons indigent patients may receive inferior health care services, and these issues are further compounded by constant cost overruns and budget shortfalls. H.B. 457 seeks to ease the burden on these programs while encouraging private sector engagement by providing for an optional county property tax exemption for physicians who provide health care services to certain indigent patients free of charge.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 457 amends the Tax Code to create a local option residence homestead property tax exemption for a licensed physician who provides health care services to county residents who are indigent or Medicaid recipients and does not seek payment for those services from any source, including Medicaid or otherwise from the state or the federal government. The bill entitles such a physician to an exemption from county taxation not to exceed 50 percent of the appraised value of the physician's residence homestead if the exemption is adopted by the county commissioners court by official action.

H.B. 457 requires the commissioners court to take the following actions:

- 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 for an exemption, which may be expressed as a percentage of the physician's total practice; and
- to submit to the chief appraiser a copy of the order and any subsequent order adopted by the commissioners court that relates to the exemption.

The bill authorizes the commissioners court to repeal the exemption by official action and authorizes the chief appraiser to require a physician seeking an exemption to present additional information establishing eligibility.

H.B. 457 provides for the continued assessment and collection of the tax where the tax previously has been pledged for debt payment.

EFFECTIVE DATE

January 1, 2022, if the constitutional amendment authorizing a local option exemption from property 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 the state or the federal government, to county residents who are indigent or who are Medicaid recipients is approved by the voters.