

BILL ANALYSIS

H.B. 596
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The state's existing health care programs serving indigent patients struggle to meet demand and consistently experience funding shortfalls that frustrate medical providers. For example, a Texas patient who was experiencing severe pain waited nearly 24 hours in a county hospital before returning home, only to die later that night, and another patient drove 200 miles for a check-up procedure to avoid the six-month wait at the patient's county clinic. Additionally, the arduous reimbursement process and unattractive reimbursement rates for medical providers are two major reasons indigent patients may receive inferior health care services, and these issues are compounded by constant cost overruns and budget shortfalls. H.B. 596 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. 596 amends the Tax Code to create a local option residence homestead property tax exemption for a licensed physician who provides health care services for which the physician does not seek payment from any source, including Medicaid or otherwise from the state or the federal government, to county residents who are indigent or Medicaid recipients. 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. 596 requires the commissioners court to take the following actions:

- 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
- 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. 596 provides for the continued assessment and collection of the tax where the tax previously has been pledged for debt payment and granting the exemption would impair the obligation of the contract creating the debt. The bill applies only to property taxes imposed for a tax year that begins on or after its effective date.

EFFECTIVE DATE

January 1, 2024, 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 Medicaid 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.