

## **BILL ANALYSIS**

Senate Research Center

H.B. 541  
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Finance  
5/6/1999  
Engrossed

### **DIGEST**

Currently, the Texas Association of Community Health Centers (TACHC) operates as a nonprofit organization and has been designated by the U.S. Department of Health and Human Services as the primary care association for the state. TACHC provided health care services to over 415,000 Texans, approximately 237,000 of whom were uninsured. This bill would provide for property tax exemptions to associations that provide assistance to ambulatory care facilities and that meet the criteria for a charitable organization.

### **PURPOSE**

As proposed, H.B. 541 establishes criteria for eligibility for exemption from ad valorem taxation for property of an association of ambulatory health care centers.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 11B, Tax Code, by adding Section 11.183, as follows:

Sec. 11.183. ASSOCIATION PROVIDING ASSISTANCE TO AMBULATORY HEALTH CARE CENTERS. Entitles an association to an exemption from taxation of the property it owns and uses exclusively for the purposes for which the association is organized if the association: is exempt from federal income taxation; complies with the criteria for a charitable organization; engages exclusively in providing assistance to ambulatory health care centers that provide medical care without regard to the individual's ability to pay; is funded or assists health centers that are funded by a grant under Section 330, Public Health Service Act (42 U.S.C. Section 254b); and does not perform or provide abortions or provide assistance to health care centers that do so. Provides that the use of an association's property by another person does not affect the associations eligibility for exemption from taxation if the use benefits the ambulatory health care centers to which the association provides assistance or the individuals to whom the health care centers provide medical care. Provides that the performance of noncharitable functions by an association does not affect its eligibility for exemption from taxation.

SECTION 2. Amends Section 11.43(c), Tax Code, to provide that an exemption provided by Section 11.183 of this code need not be claimed in subsequent years.

SECTION 3. Effective date: January 1, 2000.

SECTION 4. Emergency clause.