

BILL ANALYSIS

Senate Research Center
79R6210 PAM-D

H.B. 330
By: Berman (Deuell)
Jurisprudence
4/23/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (P.L. 108-173) enacted a medical savings plan called a Health Savings Account, effective January 1, 2004. This savings plan is very similar to a retirement plan, except it puts aside money for future health coverage. It is similar to an IRA or a Roth IRA, except that both the IRA and the Roth IRA are exempt from any claims from creditors. Health Savings Accounts are not shielded from creditors.

As proposed, H.B. 330 exempts Health Savings Accounts from being attached or seized for the satisfaction of debts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 42.0021, Property Code, to read as follows:

Sec. 42.0021. ADDITIONAL EXEMPTION FOR CERTAIN SAVINGS PLANS.

SECTION 2. Amends Sections 42.0021(a) and (b), Property Code, as follows:

(a) Exempts a person's right to the assets held in or to receive profits under any health savings account described by Section 223 of the Internal Revenue Code of 1986 from attachment, execution, and seizure for the satisfaction of debts unless certain conditions apply.

(b) Provides that amounts qualifying as nontaxable rollover contributions under Section 223(f)(5) of the Internal Revenue Code of 1986 on or after January 1, 2004, are treated as exempt amounts under Subsection (a).

SECTION 3. Provides that the change in law made by this Act applies to all contributions made under Section 223, Internal Revenue Code of 1986, before, on, or after the effective date of this Act.

SECTION 4. Effective date: upon passage or September 1, 2005.