

AN ACT

relating to the physician education loan repayment program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.532(a), Education Code, is amended to read as follows:

(a) To be eligible to receive repayment assistance, a physician must:

(1) apply to the coordinating board [~~and have completed at least one year of medical practice:~~

~~[(1) in private practice in an economically depressed or rural medically underserved area of the state];~~

(2) at the time of application, be licensed to practice medicine under Subtitle B, Title 3, Occupations Code [~~for one of the following state agencies:~~

~~[(A) Texas Department of Health,~~

~~[(B) Texas Department of Mental Health and Mental Retardation,~~

~~[(C) Texas Department of Corrections, or~~

~~[(D) Texas Youth Commission]; [or]~~

(3) have completed one, two, three, or four consecutive years of practice in a health professional shortage area designated by the Department of State Health Services; and

(4) provide health care services to:

(A) recipients under the medical assistance

1 program authorized by Chapter 32, Human Resources Code; or

2 (B) enrollees under the child health plan program
3 authorized by Chapter 62, Health and Safety Code [~~for an approved~~
4 ~~family practice residency training program established under~~
5 ~~Subchapter I as a clinical faculty member and have completed~~
6 ~~training in an approved family practice residency training program~~
7 ~~on or after July 1, 1994~~].

8 SECTION 2. Section 61.533, Education Code, is amended to
9 read as follows:

10 Sec. 61.533. LIMITATION. A physician may receive repayment
11 assistance grants for [~~each of~~] not more than four [~~five~~] years.

12 SECTION 3. Section 61.535(a), Education Code, is amended to
13 read as follows:

14 (a) The coordinating board shall deliver any repayment made
15 under this subchapter in a lump sum payable:

16 (1) to both the [lender and the] physician and the
17 lender or other holder of the affected loan; or

18 (2) directly to the lender or other holder of the loan
19 on the physician's behalf [~~, in accordance with federal law~~].

20 SECTION 4. Section 61.536, Education Code, is amended to
21 read as follows:

22 Sec. 61.536. ADVISORY COMMITTEES. The coordinating board
23 may[+]

24 [~~(1)~~] appoint advisory committees from outside the
25 board's membership to assist the board in performing its duties
26 under this subchapter[+ and

27 [~~(2)~~] ~~request the assistance of the Family Practice~~

1 ~~Residency Advisory Committee in performing those duties].~~

2 SECTION 5. Section 61.537, Education Code, is amended to
3 read as follows:

4 Sec. 61.537. RULES. (a) The coordinating board shall adopt
5 rules necessary for the administration of this subchapter[
6 ~~including a rule that sets a maximum amount of repayment assistance~~
7 ~~that may be received by a physician in one year and a rule that~~
8 ~~authorizes the Family Practice Residency Advisory Committee to~~
9 ~~establish priorities among eligible physicians for repayment~~
10 ~~assistance, by taking into account the degree of physician~~
11 ~~shortage, geographic locations, whether the physician is or will be~~
12 ~~providing service in a medically underserved area, and other~~
13 ~~criteria the committee considers appropriate].~~

14 (b) The coordinating board shall distribute to each medical
15 unit [~~and appropriate state agency]~~ and professional association
16 copies of the rules adopted under this section and pertinent
17 information in this subchapter.

18 SECTION 6. Section 61.538, Education Code, is amended to
19 read as follows:

20 Sec. 61.538. ~~[TOTAL]~~ AMOUNT OF REPAYMENT ASSISTANCE.

21 (a) A physician may receive repayment assistance under this
22 subchapter in the amount determined by board rule, not to exceed the
23 following amounts for each year for which the physician establishes
24 eligibility for the assistance:

25 (1) for the first year, \$25,000;

26 (2) for the second year, \$35,000;

27 (3) for the third year, \$45,000; and

1 (4) for the fourth year, \$55,000.

2 **(b)** The total amount of repayment assistance distributed by
3 the board may not exceed the total amount of money available in the
4 physician education loan repayment program account [~~gifts and~~
5 ~~grants accepted by the board for repayment assistance, medical~~
6 ~~school tuition set aside under Section 61.539 of this code, and~~
7 ~~legislative appropriations for repayment assistance~~].

8 **(c)** The total amount of repayment assistance made under this
9 subchapter to an individual physician may not exceed \$160,000.

10 SECTION 7. Sections 61.539(b) and (c), Education Code, are
11 amended to read as follows:

12 **(b)** The amount set aside shall be transferred to the
13 comptroller of public accounts to be deposited in the physician
14 education loan repayment program account established under Section
15 61.5391 [~~maintained in the state treasury for the sole purpose of~~
16 ~~repayment of student loans of a physician serving in a designated~~
17 ~~state agency or in an area of this state that is economically~~
18 ~~depressed or that is a medically underserved area or health~~
19 ~~professional shortage area, as designated by the United States~~
20 ~~Department of Health and Human Services, that has a current~~
21 ~~shortage of physicians~~]. Section 403.095, Government Code, does
22 not apply to the amount set aside by this section.

23 **(c)** As soon as practicable after each state fiscal year, the
24 comptroller shall prepare a report for that fiscal year of the
25 number of students registered in a medical branch, school, or
26 college, the total amount of tuition charges collected by each
27 institution, the total amount transferred to the comptroller

1 [~~treasury~~] under this section, and the total amount available in
2 the physician education loan repayment program account [~~under~~
3 ~~Subsection (b)~~] for the repayment of student loans of physicians
4 under this subchapter. The comptroller shall deliver a copy of the
5 report to the board and to the governor, lieutenant governor, and
6 speaker of the house of representatives not later than January 1
7 following the end of the fiscal year covered by the report.

8 SECTION 8. Subchapter J, Chapter 61, Education Code, is
9 amended by adding Section 61.5391 to read as follows:

10 Sec. 61.5391. PHYSICIAN EDUCATION LOAN REPAYMENT PROGRAM
11 ACCOUNT. (a) The physician education loan repayment program
12 account is an account in the general revenue fund. The account is
13 composed of:

14 (1) gifts and grants contributed to the account;
15 (2) earnings on the principal of the account; and
16 (3) other amounts deposited to the credit of the
17 account, including:

18 (A) money deposited under Section 61.539(b);
19 (B) legislative appropriations; and
20 (C) money deposited under Section 155.2415, Tax
21 Code.

22 (b) Money in the account may not be appropriated for any
23 purpose except to provide loan repayment assistance to eligible
24 physicians under this subchapter.

25 SECTION 9. Section 61.540, Education Code, is amended to
26 read as follows:

27 Sec. 61.540. LOAN REPAYMENT ASSISTANCE [~~SERVICE AGREEMENTS~~

1 ~~ENTERED INTO~~] UNDER FORMER LAW; SAVING PROVISION. (a) This
2 subsection [~~section~~] applies only to a person who entered into a
3 written agreement to perform service as a physician in exchange for
4 loan repayment assistance under this subchapter before September 1,
5 2003.

6 [~~(b)~~] The agreement continues in effect and this
7 subchapter, as it existed when the person entered into the
8 agreement, is continued in effect for purposes of that agreement
9 until the person satisfies all the conditions of the agreement or
10 repays all amounts due under the agreement if the person does not
11 satisfy the conditions of the agreement.

12 (b) A person receiving loan repayment assistance under this
13 subchapter immediately before the effective date of the amendments
14 made to this subchapter by the 81st Legislature, Regular Session,
15 2009, may continue to receive loan repayment assistance under this
16 subchapter, as this subchapter applied to the person immediately
17 before the effective date of those amendments, until the person is
18 no longer eligible for loan repayment assistance under this
19 subchapter, as this subchapter existed on that date, and the former
20 law is continued in effect for that purpose.

21 (c) A person to whom this section applies is not eligible to
22 receive repayment assistance under another provision of this
23 subchapter.

24 SECTION 10. Section 155.0211, Tax Code, is amended by
25 amending Subsection (b) and adding Subsections (b-1), (b-2), (b-3),
26 (b-4), (c), (d), and (e) to read as follows:

27 (b) Except as provided by Subsection (c), the [~~The~~] tax rate

1 for each can or package of a tobacco product [~~products~~] other than
2 cigars is \$1.22 per ounce and a proportionate rate on all fractional
3 parts of an ounce [~~40 percent of the manufacturer's list price,~~
4 ~~exclusive of any trade discount, special discount, or deal~~].

5 (b-1) Notwithstanding Subsection (b) and except as provided
6 by Subsection (c), for the state fiscal year beginning September 1,
7 2012, the tax rate for each can or package of a tobacco product
8 other than cigars is \$1.19 per ounce and a proportionate rate on all
9 fractional parts of an ounce. This subsection expires December 1,
10 2013.

11 (b-2) Notwithstanding Subsection (b) and except as provided
12 by Subsection (c), for the state fiscal year beginning September 1,
13 2011, the tax rate for each can or package of a tobacco product
14 other than cigars is \$1.16 per ounce and a proportionate rate on all
15 fractional parts of an ounce. This subsection expires December 1,
16 2012.

17 (b-3) Notwithstanding Subsection (b) and except as provided
18 by Subsection (c), for the state fiscal year beginning September 1,
19 2010, the tax rate for each can or package of a tobacco product
20 other than cigars is \$1.13 per ounce and a proportionate rate on all
21 fractional parts of an ounce. This subsection expires December 1,
22 2011.

23 (b-4) Notwithstanding Subsection (b) and except as provided
24 by Subsection (c), for the state fiscal year beginning September 1,
25 2009, the tax rate for each can or package of a tobacco product
26 other than cigars is \$1.10 per ounce and a proportionate rate on all
27 fractional parts of an ounce. This subsection expires December 1,

1 2010.

2 (c) The tax imposed on a can or package of a tobacco product
3 other than cigars that weighs less than 1.2 ounces is equal to the
4 amount of the tax imposed on a can or package of a tobacco product
5 that weighs 1.2 ounces.

6 (d) The computation of the tax under this section and the
7 applicability of Subsection (c) shall be based on the net weight as
8 listed by the manufacturer. The total tax to be imposed on a unit
9 that contains multiple individual cans or packages is the sum of the
10 taxes imposed by this section on each individual can or package
11 intended for sale or distribution at retail.

12 (e) A change in the tax rate in effect for a state fiscal
13 year that occurs in accordance with this section does not affect
14 taxes imposed before that fiscal year, and the rate in effect when
15 those taxes were imposed continues in effect for purposes of the
16 liability for and collection of those taxes.

17 SECTION 11. Section 155.101, Tax Code, is amended to read as
18 follows:

19 Sec. 155.101. RECORD OF PURCHASE OR RECEIPT. Each
20 distributor, wholesaler, bonded agent, and export warehouse shall
21 keep records at each place of business of all tobacco products
22 purchased or received. Each retailer shall keep records at a single
23 location, which the retailer shall designate as its principal place
24 of business in the state, of all tobacco products purchased and
25 received. These records must include the following, except that
26 Subdivision (7) applies to distributors only and Subdivision (8)
27 applies only to the purchase or receipt of tobacco products other

1 than cigars:

2 (1) the name and address of the shipper or carrier and
3 the mode of transportation;

4 (2) all shipping records or copies of records,
5 including invoices, bills of lading, waybills, freight bills, and
6 express receipts;

7 (3) the date and the name of the place of origin of the
8 tobacco product shipment;

9 (4) the date and the name of the place of arrival of
10 the tobacco product shipment;

11 (5) a statement of the number, kind, and price paid for
12 the tobacco products;

13 (6) the name, address, permit number, and tax
14 identification number of the seller;

15 (7) the manufacturer's list price for the tobacco
16 products; ~~and~~

17 (8) the net weight as listed by the manufacturer for
18 each unit; and

19 (9) any other information required by rules of the
20 comptroller.

21 SECTION 12. Section 155.102, Tax Code, is amended by adding
22 Subsection (c) to read as follows:

23 (c) In addition to the information required under
24 Subsection (b), the records for each sale, distribution, exchange,
25 or use of tobacco products other than cigars must show the net
26 weight as listed by the manufacturer for each unit.

27 SECTION 13. Section 155.103, Tax Code, is amended by adding

1 Subsection (a-1) and amending Subsection (b) to read as follows:

2 (a-1) In addition to the information required under
3 Subsection (a), the records for each sale of tobacco products other
4 than cigars must show the net weight as listed by the manufacturer
5 for each unit.

6 (b) A manufacturer who sells tobacco products to a permit
7 holder in this state shall file with the comptroller, on or before
8 the last day of each month, a report showing the information
9 required to be listed by Subsections [in Subsection] (a) and (a-1),
10 if applicable, for the previous month.

11 SECTION 14. Section 155.105(b), Tax Code, is amended to
12 read as follows:

13 (b) The wholesaler or distributor shall file the report on
14 or before the 25th day of each month. The report must contain the
15 following information for the preceding calendar month's sales in
16 relation to each retailer:

17 (1) the name of the retailer and the address of the
18 retailer's outlet location to which the wholesaler or distributor
19 delivered cigars or tobacco products, including the city and zip
20 code;

21 (2) the taxpayer number assigned by the comptroller to
22 the retailer, if the wholesaler or distributor is in possession of
23 the number;

24 (3) the tobacco permit number of the outlet location
25 to which the wholesaler or distributor delivered cigars or tobacco
26 products; and

27 (4) the monthly net sales made to the retailer by the

1 wholesaler or distributor, including:

2 (A) the quantity and units of cigars and tobacco
3 products sold to the retailer; and

4 (B) for each unit of tobacco products other than
5 cigars, the net weight as listed by the manufacturer.

6 SECTION 15. Section 155.111, Tax Code, is amended by adding
7 Subsection (b-1) to read as follows:

8 (b-1) In addition to the information required under
9 Subsection (b), the report must show the net weight as listed by the
10 manufacturer for each unit of tobacco products other than cigars
11 that is purchased, received, or acquired.

12 SECTION 16. Section 155.2415, Tax Code, is amended to read
13 as follows:

14 Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY
15 TAX RELIEF FUND AND CERTAIN OTHER FUNDS. Notwithstanding Section
16 155.241, the [all] proceeds from the collection of taxes imposed by
17 Section 155.0211 shall be allocated as follows:

18 (1) the amount of the proceeds that is equal to the
19 amount that, if the taxes imposed by Section 155.0211 were imposed
20 at a rate of 40 percent of the manufacturer's list price, exclusive
21 of any trade discount, special discount, or deal, would be
22 attributable to the portion of that [the] tax rate in excess of
23 35.213 percent [of the manufacturer's list price, exclusive of any
24 trade discount, special discount, or deal], shall be deposited to
25 the credit of the property tax relief fund under Section 403.109,
26 Government Code;

27 (2) the amount of the proceeds that is equal to the

1 amount that would be attributable to a tax rate of 35.213 percent of
2 the manufacturer's list price, exclusive of any trade discount,
3 special discount, or deal, if the taxes were imposed by Section
4 155.0211 at that rate, shall be deposited to the credit of the
5 general revenue fund; and

6 (3) 100 percent of the remaining proceeds shall be
7 deposited to the credit of the physician education loan repayment
8 program account established under Subchapter J, Chapter 61,
9 Education Code.

10 SECTION 17. Sections 61.531(b) and (c) and 61.532(b),
11 Education Code, are repealed.

12 SECTION 18. As soon as practicable after the effective date
13 of this Act, the Texas Higher Education Coordinating Board shall
14 adopt rules necessary to administer Subchapter J, Chapter 61,
15 Education Code, as amended by this Act. For that purpose, the
16 coordinating board may adopt the initial rules in the manner
17 provided by law for emergency rules.

18 SECTION 19. The changes in law made by this Act in amending
19 Chapter 155, Tax Code, do not affect tax liability accruing before
20 the effective date of this Act. That liability continues in effect
21 as if this Act had not been enacted, and the former law is continued
22 in effect for the collection of taxes due and for civil and criminal
23 enforcement of the liability for those taxes.

24 SECTION 20. This Act takes effect September 1, 2009.

David Newkumst

President of the Senate

Jim Strawn

Speaker of the House

I certify that H.B. No. 2154 was passed by the House on May 13, 2009, by the following vote: Yeas 79, Nays 61, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2154 on May 29, 2009, by the following vote: Yeas 121, Nays 22, 2 present, not voting.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 2154 was passed by the Senate, with amendments, on May 26, 2009, by the following vote: Yeas 29, Nays 2.

Aatsy Gaud

Secretary of the Senate

APPROVED: 16 JUN '09

Date

RICK PERRY

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30 PM O'CLOCK

Don Radabaugh
Secretary of State