AMENDED

May 9, 2012

**H. 4944**

Introduced by Reps. Crawford, Patrick, Herbkersman, Brady, Bedingfield, Anderson, Sandifer, Erickson, McCoy, Brannon, Bowers, Gambrell, Hayes, Limehouse, Lowe, Mack, Pinson, Spires, Edge, Stavrinakis and Whipper

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Read the first time March 1, 2012.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

**State:** The bill as amended will reduce general fund revenue by $276,000 for FY 2012-13 for increased obligations to the Property Tax Relief Trust Fund for homestead exemption reimbursements.

**Local:** Local property tax revenue would be reduced by an estimated $5,187,000 in FY 2012-13 for the lower assessment ratio and unreimbursed school operating millage.

**Explanation of Amendment (April 19, 2012)**

This bill as amended would allow a taxpayer to claim the four percent assessment ratio on a second residence for one tax year instead of two as originally proposed so long as the owner attempts to sell the first owner occupied property within 30 days of acquiring the second residence and the first residence remains unused. The amendment also changes the effective date of the bill to tax year 2012 as opposed to 2010 and therefore eliminates the two years of refunds. We estimate that approximately 2,940 properties would qualify for the lower assessment ratio in tax year 2012. The reduction in local property tax revenue for the lower assessment ratio would be $2,684,000 in FY 2012-13. Additionally, owner occupied property is exempt from all school operating millage. Local property tax revenue would be reduced by $2,503,000 in FY 2012-13 for school operating millage that is not reimbursed dollar for dollar. The total local property tax revenue reduction for FY 2012-13 is $5,187,000. In subsequent years, the number of qualifying properties would be reduced by an estimated 5% for properties that have been for sale for longer than one property tax year since a taxpayer may only claim the special 4% assessment ratio on two properties for one tax year.

State general fund obligations to the Property Tax Relief Trust Fund would be increased by $276,000 in FY 2012-13 for owner-occupied properties that would qualify for the homestead exemption in tax year 2012.

**Explanation (Revised April 20, 2012)**

This bill would amend Section 12-43-220 to allow a taxpayer to claim the four percent assessment ratio on a second residence for up to two tax years so long as the owner attempts to sell the first owner occupied property within 30 days of acquiring the second residence and the first residence remains unused. Currently, a taxpayer may claim only one owner occupied residence and the second residence would be taxed at the six percent assessment ratio. In order to determine the number of properties that may qualify, we factored in home sales and time on the market for properties in SC and accounted for the percentage of homes without a mortgage, allowing the owner to purchase a second home while attempting to sell the first. The bill would be effective for tax years 2010 and beyond. We estimate that approximately 2,555 properties may qualify for the lower assessment ratio in tax year 2010, 2,741 in 2011 and 2,940 in 2012. The reduction in local property tax revenue in FY 12-13 for the lower assessment ratio is estimated to be $2,078,000 for tax year 2010, $2,362,000 for 2011 and $2,684,000 for 2012 including prior year refunds. Additionally, owner occupied property is exempt from all school operations millage. Local revenue would be reduced an additional $1,938,000 for 2010, $2,202,000 for 2011, and $2,503,000 for 2012 school operations millage which would be refunded to the taxpayer in FY 12-13. The total reduction in local revenue for FY 12-13 for the lower assessment ratio and the school operations exemption is estimated to be $13,767,000.

State general fund obligations to the Property Tax Relief Trust Fund would be increased by $750,000 in FY 2012-13 for owner-occupied properties that would qualify for the homestead exemption in tax years 2010, 2011 and 2012.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE “SOUTH CAROLINA TELEMEDICINE INSURANCE REIMBURSEMENT ACT”; BY ADDING SECTION 38‑71‑295 SO AS TO PROVIDE RELATED DEFINITIONS, TO PROVIDE FOR A PHYSICIAN OR OTHER HEALTH CARE PROVIDER THAT PERFORMS TELEMEDICINE SERVICES IN A CERTAIN MANNER MUST BE REIMBURSED FOR THOSE SERVICES IN THE SAME MANNER AS HEALTH CARE SERVICES PROVIDED THROUGH AN IN‑PERSON CONSULTATION, TO PROVIDE DELIVERY OF HEALTH CARE BY MEANS OF TELEMEDICINE MUST SATISFY CERTAIN REQUIREMENTS FOR DELIVERING THE SAME CARE IN PERSON; AND TO PROVIDE THE SOUTH CAROLINA BOARD MEDICAL EXAMINERS MAY AUTHORIZE THE PROVISION OF ADDITIONAL HEALTH CARE SERVICES BY CERTAIN MEANS THROUGH THE USE OF STANDARD TELEPHONE, FACSIMILE TRANSMISSIONS, UNSECURED ELECTRONIC MAIL, OR A COMBINATION OF THEM, SUBJECT TO AN EXCEPTION.

Amend Title To Conform

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act is known and may be cited as the “South Carolina Telemedicine Insurance Reimbursement Act”.

SECTION 2. Article 1, Chapter 71, Title 38 of the 1976 Code is amended by adding:

“Section 38‑71‑295. (A) For the purposes of this article:

(1) ‘Telemedicine’ means the delivery of health care, including diagnosis, treatment, or transfer of medical data, by means of interactive audio, video, or data communications by a licensed physician or other health care provider at a consultant site to a patient at a referring site. Interactive audio and video telecommunications must be used between the consultant site and the referring site. Standard telephone, facsimile transmissions, unsecured electronic mail, or a combination of them do not constitute telemedicine services.

(2) ‘Consultant site’ means the physical site at which the consulting physician or other health care provider is located at the time that health care is provided by means of telemedicine.

(3) ‘Referring site’ means the physical site of the patient.

(4) ‘Insurer’ means an accident and health insurance company, fraternal benefit society, hospital service corporation, medical service corporation, health care corporation, health maintenance organization, preferred provider organization, provider‑sponsored health care corporation, managed care entity, or any similar entity authorized by the State of South Carolina to provide health insurance policies in this State.

(5) ‘Health care provider’ means a licensed physician, physician group practice, hospital system, or a licensed physician’s assistant or licensed advanced practice registered nurse practicing within his or her scope of practice and supervision requirements, except for distance, under the laws of this State. For purposes of the referring site, a health care provider may include a registered nurse licensed in this State who is providing health care in a school or prison setting. For purposes of the consultant site, a health care provider may include a licensed speech pathologist or licensed or certified disease management educator.

(B) The physician or other health care provider at the consultant site delivering health care by means of telemedicine to a patient at the referring site must be reimbursed for those services in the same manner as health care services provided through an in‑person consultation. Nothing in this section shall prohibit a commercial insurer or managed care organization from including or excluding telemedicine services as a covered service in a health care contract or from negotiating with health care providers for reimbursement rates for telemedicine.

(C) If a patient seeks and receives telemedicine services and has an existing medical home, it is the responsibility of the telemedicine provider to promptly and electronically communicate the details of the encounter to the medical home. It then becomes the responsibility of the medical home to decide when a face to face encounter is necessary.

(1) It the patient seeks and receives telemedicine services and has no existing medical home, it becomes the responsibility of the telemedicine provider to either perform a face to face encounter or arrange for a face to face encounter with an existing physician practice within one week.

(2) A medical home is defined as a primary care or internal medicine practice in which the patient has received care within one year.

(D) The South Carolina Board of Medical Examiners has the authority to authorize, at its sole discretion, other specific programs that use standard telephone, facsimile transmissions, unsecured electronic mail, or a combination of them to render health care services; however, services provided though such specific programs are not subject to subsection (B).”

SECTION 3. This act takes effect upon approval by the Governor.

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