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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To amend title XIX of the Social Security Act to reduce Federal financial participation for certain States that require political subdivisions to contribute towards the non-Federal share of Medicaid.

IN THE HOUSE OF REPRESENTATIVES

Mr. FASO introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title XIX of the Social Security Act to reduce Federal financial participation for certain States that require political subdivisions to contribute towards the non-Federal share of Medicaid.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Property Tax Reduc-
5 tion Act of 2017”.

1 **SEC. 2. REDUCTION OF FEDERAL FINANCIAL PARTICIPA-**
2 **TION (FFP) FOR CERTAIN STATES THAT RE-**
3 **QUIRE POLITICAL SUBDIVISIONS TO CON-**
4 **TRIBUTE TOWARD NON-FEDERAL SHARE OF**
5 **MEDICAID.**

6 (a) IN GENERAL.—Section 1903 of the Social Secu-
7 rity Act (42 U.S.C. 1396b) is amended by adding at the
8 end the following new subsection:

9 “(aa) REDUCTION IN FFP FOR CONTRIBUTIONS RE-
10 QUIRED BY POLITICAL SUBDIVISIONS.—

11 “(1) IN GENERAL.—Notwithstanding the pre-
12 vious provisions of this section, in the case of a
13 State that had a DSH allotment under section
14 1923(f) for fiscal year 2016 that was more than 6
15 times the national average of such allotments for all
16 the States for such fiscal year and that requires po-
17 litical subdivisions within the State to contribute
18 funds towards medical assistance or other expendi-
19 tures under the State plan under this title (or under
20 a waiver of such plan) for a quarter in a fiscal year
21 (beginning with fiscal year 2020), in determining the
22 amount that is payable to the State for expenditures
23 in such quarter under subsection (a)(1), the amount
24 of such expenditures shall be decreased by the
25 amount that political subdivisions in the State are
26 required to contribute under the plan (or waiver)

1 without reimbursement from the State for such
2 quarter, other than contributions described in para-
3 graph (2).

4 “(2) EXCEPTED CONTRIBUTIONS.—The con-
5 tributions described in this paragraph for a fiscal
6 year are the following:

7 “(A) Contributions required by a State
8 from a political subdivision that, as of the first
9 day of the calendar year in which the fiscal year
10 involved begins—

11 “(i) has a population of more than
12 5,000,000, as estimated by the Bureau of
13 the Census; and

14 “(ii) imposes a local income tax upon
15 its residents.

16 “(B) Contributions required by a State
17 from a political subdivision for administrative
18 expenses if the State required such contribu-
19 tions from such subdivision without reimburse-
20 ment from the State as of January 1, 2017.”.