

**BILL ANALYSIS**

Senate Research Center

S.B. 1296  
By: Wentworth  
Finance  
3/27/2007  
As Filed

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, most non-profit organizations qualify for an ad valorem tax exemption from city, county, and school district taxes for land and buildings that are used by the organization either by statute or under the Texas Constitution. However, fraternal organizations are the only charitable organizations that only receive an exemption from ad valorem taxation if the exemption is adopted by either the governing body of the taxing unit or by a majority vote of the taxing unit's qualified voters. Statutory change is necessary to extend that exemption to fraternal organizations in the same way it is available to all other charitable organizations.

As proposed, S.B. 1296 deletes the requirement that a local governing body or the voters of that jurisdiction adopt an exemption from ad valorem taxation for a fraternal organization.

**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 Section 11.184(c), Tax Code, to delete existing text requiring a qualified charitable organization to receive approval under Subsection (b), relating to the prohibition on a tax exemption to a qualified charitable organization unless said exemption is adopted by the governing body of the taxing unit or by favorable vote of the majority of the taxing unit's voters, for tax exemptions for certain buildings and certain real and tangible personal property.

SECTION 2. Repealer: Section 11.184(b) (regarding public or governmental disapproval of a tax exemption for a certain qualified charitable organization), Tax Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: January 1, 2008.