

BILL ANALYSIS

Senate Research Center
80R8011 JD-F

S.B. 812
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Chapter 301 (Cooperative Associations), Health and Safety Code, enables certain tax-exempt, health-related institutions to create cooperative associations which are exempt from property taxes.

The Texas Legislature recognized that some cooperative organizations sought to incorporate. Therefore, Chapter 11 (Taxable Property and Exemptions), Tax Code, was modified to exempt non-profit corporations engaged exclusively in providing chilled water and steam to eligible institutions from property taxes.

As proposed, S.B. 812 enables a non-profit corporation that engages primarily in providing chilled water and steam to eligible institutions to receive a property tax exemption.

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 11.11(i), Tax Code, to entitle a corporation organized under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., V.T.C.S.), or a successor statute, that engages primarily, rather than exclusively, in providing chilled water and steam to an eligible institution, as defined by Section 301.031 (Definitions), Health and Safety Code, to an exemption from taxation of the property the corporation owns as though the property of the corporation were owned by this state and used for health or educational purposes.

SECTION 2. Makes application of this Act prospective to an ad valorem tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2008.