

BILL ANALYSIS

Senate Research Center
81R4903 EAH-D

S.B. 500
By: Shapiro
Economic Development
3/3/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Cultural Education Facilities Finance Corporation Act (Act) was originally enacted in the 69th Legislature on June 14, 1985. Certain cultural organizations have been unable to finance their activities due to restrictive interpretations of the Act.

As proposed, S.B. 500 redefines "cultural facility." S.B. 500 also authorizes certain nonprofit corporations, charitable organizations, and 501(c)(3) organizations to finance any activity in which the entity is permitted to engage.

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 3(5), Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), to redefine "cultural facility."

SECTION 2. Amends Section 4(b), Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), to require that the cultural education facilities finance corporation (corporation) be created and organized in the same manner as a health facilities development corporation under Chapter 221 (Health Facilities Development Act), Health and Safety Code, and have the same powers, authority, and rights with respect to certain facilities.

SECTION 3. Amends the Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), by adding Section 4B, as follows:

Sec. 4B. AUTHORIZATION TO FINANCE ACTIVITIES. Provides that this Act authorizes a nonprofit corporation exempt from the state franchise tax under Section 171.063 (Exemption-Nonprofit Corporation Exempt from Federal Income Tax), Tax Code; organization that qualifies as a charitable organization under Section 11.18 (Charitable Organizations), Tax Code; or an organization described in Section 501(c)(3), Internal Revenue Code of 1986 to finance any activity in which the entity is permitted to engage.

SECTION 4. Effective date: upon passage or September 1, 2009.