

BILL ANALYSIS

Senate Research Center
76R1285 JD-D

H.B. 1978
By: Kuempel (Wentworth)
Finance
5/3/1999
Engrossed

DIGEST

Currently, Texas law provides an exemption from ad valorem taxation for charitable organizations. However, the description of a charitable organization designed to support elderly persons is sufficiently narrow that some counties have interpreted it to mean that the charitable organization must be designed exclusively to provide support to qualify for an exemption. This bill would include senior citizen centers that provide many kinds of services to the elderly in the description of a charitable organization that qualifies for an exemption from ad valorem taxation.

PURPOSE

As proposed, H.B. 1978 exempts property owned by organizations that provide support to elderly persons from ad valorem taxation.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.18, Tax Code, by amending Subsection (d) and adding Subsection (l), to require a charitable organization to be organized to exclusively perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (l), engage in the provision of recreational or social activities and facilities designed to address the special needs of elderly persons or to the handicapped. Requires a charitable organization described by Subsection (d)(3) that provides support to elderly persons to engage primarily in performing charitable functions, but is authorized to engage in other activities that support or are related to its charitable functions.

SECTION 2.(a) Provides that this Act takes effect only if the constitutional amendment proposed by the 76th Legislature, Regular Session, 1999, to authorize the exemption of property of institutions of public charity from ad valorem taxation, is approved by the voters. Provides that if the amendment is not approved, this Act has no effect.

(b) Effective date: January 1, 2000, and applies only to ad valorem taxes imposed in a tax year that begins on or after that date.

SECTION 3. Emergency clause.