

BILL ANALYSIS

Senate Research Center
77R8415 JD-F

S.B. 1189
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Intergovernmental Relations
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DIGEST AND PURPOSE

Currently, the Texas Medical Center Central Heating and Cooling Services Cooperative Association (TECO) is reorganizing as a nonprofit organization. TECO provides chilled water and steam to nonprofit and governmental entities located in the Texas Medical Center. Current law grants TECO an exemption from ad valorem taxes. As proposed, S.B. 1189 permits the successor nonprofit corporation to retain the exemption from ad valorem taxes already granted TECO.

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

SECTION 2. Effective date: upon passage or September 1, 2001.