

BILL ANALYSIS

H.B. 66
By: Wong
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, real and personal property held by a non-profit corporation for use in the development of a medical center area or areas is exempt from taxation if the property is used for public purposes. Under Section 11.23(j), property owned by a non-profit corporation is not exempt if “leased or otherwise used with a view to profit.”

Under Section 11.23(j), the real and personal property of a non-profit corporation which has donated land for a state medical, dental, or nursing school, and for other hospital, medical, and educational uses, is exempt. As proposed, the bill would allow such a non-profit corporation to use its property for governmental or public purposes, including the relief of traffic congestion. This change would allow a non-profit corporation which has donated land for a state medical, dental, or nursing school, and for other hospital, medical, and educational uses to use its real and personal property to assist general public needs without jeopardizing its property tax exemption or violating any deed restriction imposed on such lands. For example, a non-profit corporation’s parking garages could be used to alleviate traffic congestion on certain events. Any revenues received by the non-profit corporation for use of its real and personal property for these purposes would be used to support the general public health, health care, and medical educational purposes of the non-profit corporation.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 11.23(j) to provides that the use of real and personal property of a non-profit corporation, which has donated land for a state medical, dental, or nursing school, and for other hospital, medical, and educational uses, for governmental or public purposes, including the relief of traffic congestion, remains exempt from ad valorem taxation as a use reasonably related to hospital, medical, and educational purposes. The bill further provides that such use will be considered hospital, medical, or educational uses for purposes of any private deed restriction imposed on such lands.

SECTION 2. This Act takes effect on the 91st day after the last day of the legislative session and applies only to the ad valorem taxation of property for a tax year that begins after January 1, 2004.

EFFECTIVE DATE

This Act takes effect on the 91st day after the last day of the legislative session and applies only to the ad valorem taxation of property for a tax year that begins after January 1, 2004.