

BILL ANALYSIS

S.B. 812
By: Janek
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 301, Health and Safety Code, enables certain tax-exempt, health-related institutions to create cooperative associations. Chapter 301 exempts those cooperative organizations from property tax.

The Texas Legislature recognized that some cooperative organizations sought to incorporate. The Legislature modified Chapter 11 of the Tax Code, exempting non-profit corporations engaged exclusively in providing chilled water and steam to eligible institutions from property taxes.

S.B. 812 provides that to receive the tax exemption, the non-profit corporation would need to engage primarily in providing chilled water and steam to eligible institutions.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 11.11(i), Tax Code, to provide that a non-profit corporation provide chilled water and steam primarily to an eligible institution to receive a property tax exemption.

SECTION 2. Specifies the Act applies only to an ad valorem tax year beginning after the Act's effective date.

SECTION 3. Effective Date: January 1, 2008.

EFFECTIVE DATE

January 1, 2008.