

BILL ANALYSIS

S.B. 2442
By: Uresti
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The federal Javits-Wagner-O'Day Act requires federal agencies to procure certain goods and services from qualified nonprofit agencies for the blind and qualified nonprofit agencies for the severely handicapped. To qualify, nonprofit agencies must be operated in the interest of blind or severely handicapped individuals and must employ blind or severely handicapped individuals for at least 75 percent of the labor hours required to produce commodities or provide services to fulfill certain federal agency contracts. Javits-Wagner-O'Day Act organizations operating in Texas compete with similar organizations in other states for a limited number of federal agency contracts, and many of the other states in which these organizations operate specifically exempt such organizations' property from taxation. This bill puts Texas' Javits-Wagner-O'Day organizations on equal footing with their out-of-state counterparts, allowing them to compete in order to provide classroom and onsite training, free onsite medical care, employment opportunities, and other support to blind and severely handicapped beneficiaries.

S.B. 2442 amends current law relating to the exemption from property taxation of property owned by certain charitable organizations.

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

S.B. 2442 reenacts and amends Section 11.18(d), Tax Code, as amended by Chapters 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of the 80th Legislature, Regular Session, 2007, to clarify that qualification for a property tax exemption by a charitable organization that provides support to the handicapped includes qualification through the provision to the handicapped of training and employment in the production of commodities or in the provision of services under the federal Javits-Wagner-O'Day Act relating to the blind and severely disabled.

S.B. 2442 exempts real property owned by a charitable organization and leased to an institution of higher education from property taxation to the same extent as the property would be exempt if the property were owned by the institution.

S.B. 2442 establishes that, to the extent of any conflict, its provisions prevail over another act of the 81st Legislature, Regular Session, 2009, relating to nonsubstantive additions to and corrections in enacted codes.

EFFECTIVE DATE

January 1, 2010.