

BILL ANALYSIS

Senate Research Center
81R4729 JE-F

S.B. 2442
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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 on-site medical care, employment opportunities, and other support to blind and severely handicapped beneficiaries.

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

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. Reenacts 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, and amends it as follows:

(d) Requires a charitable organization to be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) (relating to certain criteria that grant charitable organizations an exemption) and (l) (relating to certain requirements for charitable organization providing support to elderly persons), engage exclusively in performing one or more of certain charitable functions, including providing support without regard to the beneficiaries' ability to pay to elderly persons, including the provision of recreational or social activities, and facilities designed to address the special needs of elderly persons, or the handicapped, including training and employment in the production of commodities, or in the provision of services under 41 U.S.C. Sections 46-48c, rather than without regard to the beneficiaries' ability to pay; or providing halfway house services pursuant to a certification as a halfway house by the parole division, rather than the pardons and parole division, of the Texas Department of Criminal Justice (TDCJ).

SECTION 2. Provides that to the extent of any conflict, this Act prevails over another Act of the 81st Legislature, Regular Session, 2009, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: January 1, 2010.