

By: Shapiro

S.B. No. 500

A BILL TO BE ENTITLED

AN ACT

relating to the powers, duties, and financing of cultural education facilities finance corporations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subdivision (5), Section 3, Cultural Education Facilities Finance Corporation Act (Article 1528m, Vernon's Texas Civil Statutes), is amended to read as follows:

(5) "Cultural facility" means any capital expenditure by a user. The term includes:

(A) real property or an interest in real property, including buildings and improvements, or equipment, furnishings, or other personal property that:

(i) is found by the board to be necessary or convenient to finance, refinance, acquire, construct, enlarge, remodel, renovate, improve, furnish, or equip for cultural education or community benefit;

(ii) is made available for use by the general public, the user, or community groups; and

(iii) is used for a purpose described by Section 2(a)(1) of this Act; ~~and~~

(B) a facility in which any of the following entities engage in any activity in which the entity is permitted to engage:

(i) a nonprofit corporation exempt from the

1 state franchise tax under Section 171.063, Tax Code;

2 (ii) an organization described in Section
3 11.18, Tax Code; or

4 (iii) an organization described in Section
5 501(c)(3), Internal Revenue Code of 1986; and

6 (C) facilities incidental, subordinate, or
7 related to or appropriate in connection with property described by
8 Paragraph (A) or (B) of this subdivision, [~~located within the~~
9 state,] regardless of the date of construction or acquisition.

10 SECTION 2. Section 4, Cultural Education Facilities Finance
11 Corporation Act (Article 1528m, Vernon's Texas Civil Statutes), is
12 amended by amending Subsection (b) and adding Subsection (e) to
13 read as follows:

14 (b) The corporation shall be created and organized in the
15 same manner as a health facilities development corporation under
16 Chapter 221, Health and Safety Code, and has the same powers,
17 authority, and rights:

18 (1) with respect to cultural facilities and health
19 facilities that a health facilities development corporation has
20 with respect to health facilities under Chapter 221, Health and
21 Safety Code; and

22 (2) with respect to educational facilities, housing
23 facilities, and other facilities incidental, subordinate, or
24 related to those facilities that a nonprofit corporation created
25 under Section 53.35(b), Education Code, or an authority created
26 under Section 53.11, Education Code, has under Chapter 53,
27 Education Code.

1 (e) Regardless of any other provision in Chapter 221, Health
2 and Safety Code, or Chapter 53, Education Code, the corporation may
3 exercise its powers on behalf of a user outside of this state if the
4 user also conducts lawful activities in this state.

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2009.