

1-1 By: Shapiro S.B. No. 500  
1-2 (In the Senate - Filed January 20, 2009; February 17, 2009,  
1-3 read first time and referred to Committee on Economic Development;  
1-4 March 18, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 4, Nays 0; March 18, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 500 By: Eltife

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the powers, duties, and financing of cultural education  
1-11 facilities finance corporations.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subdivision (5), Section 3, Cultural Education  
1-14 Facilities Finance Corporation Act (Article 1528m, Vernon's Texas  
1-15 Civil Statutes), is amended to read as follows:

1-16 (5) "Cultural facility" means any capital expenditure  
1-17 by a user. The term includes:

1-18 (A) real property or an interest in real  
1-19 property, including buildings and improvements, or equipment,  
1-20 furnishings, or other personal property that:

1-21 (i) is found by the board to be necessary or  
1-22 convenient to finance, refinance, acquire, construct, enlarge,  
1-23 remodel, renovate, improve, furnish, or equip for cultural  
1-24 education or community benefit;

1-25 (ii) is made available for use by the  
1-26 general public, the user, or community groups; and

1-27 (iii) is used for a purpose described by  
1-28 Section 2(a)(1) of this Act; ~~and~~

1-29 (B) a facility in which any of the following  
1-30 entities engage in any activity in which the entity is permitted to  
1-31 engage:

1-32 (i) a nonprofit corporation exempt from the  
1-33 state franchise tax under Section 171.063, Tax Code;

1-34 (ii) an organization described in Section  
1-35 11.18, Tax Code; or

1-36 (iii) an organization described in Section  
1-37 501(c)(3), Internal Revenue Code of 1986; and

1-38 (C) facilities incidental, subordinate, or  
1-39 related to or appropriate in connection with property described by  
1-40 Paragraph (A) or (B) of this subdivision, ~~[located within the~~  
1-41 ~~state]~~ regardless of the date of construction or acquisition.

1-42 SECTION 2. Section 4, Cultural Education Facilities Finance  
1-43 Corporation Act (Article 1528m, Vernon's Texas Civil Statutes), is  
1-44 amended by amending Subsection (b) and adding Subsection (e) to  
1-45 read as follows:

1-46 (b) The corporation shall be created and organized in the  
1-47 same manner as a health facilities development corporation under  
1-48 Chapter 221, Health and Safety Code, and has the same powers,  
1-49 authority, and rights:

1-50 (1) with respect to cultural facilities and health  
1-51 facilities that a health facilities development corporation has  
1-52 with respect to health facilities under Chapter 221, Health and  
1-53 Safety Code; and

1-54 (2) with respect to educational facilities, housing  
1-55 facilities, and other facilities incidental, subordinate, or  
1-56 related to those facilities that a nonprofit corporation created  
1-57 under Section 53.35(b), Education Code, or an authority created  
1-58 under Section 53.11, Education Code, has under Chapter 53,  
1-59 Education Code.

1-60 (e) Regardless of any other provision in Chapter 221, Health  
1-61 and Safety Code, or Chapter 53, Education Code, the corporation may  
1-62 exercise its powers on behalf of a user outside of this state if the  
1-63 user also conducts lawful activities in this state.

2-1 SECTION 3. This Act takes effect immediately if it receives  
2-2 a vote of two-thirds of all the members elected to each house, as  
2-3 provided by Section 39, Article III, Texas Constitution. If this  
2-4 Act does not receive the vote necessary for immediate effect, this  
2-5 Act takes effect September 1, 2009.

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