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| BILL ANALYSIS |

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| C.S.H.B. 755 |
| By: Parker |
| Ways & Means |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE**  Interested parties have observed that certain charitable education foundations funded by fees from property transfers require greater flexibility regarding the making of donations. C.S.H.B. 755 seeks to allow certain tax-exempt organizations to use certain payments made in connection with real property transfers to provide educational activities through certain schools. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **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**  C.S.H.B. 755 amends the Property Code to authorize a payment to a school for educational activities that is not considered a private transfer fee obligation for purposes of statutory provisions voiding such obligations under certain circumstances to collaterally benefit property other than a community composed of property that is adjacent to the encumbered property or composed of property a boundary of which is not more than 1,000 yards from a boundary of the encumbered property if the encumbered property is located within the school's assigned attendance zone and a county with a population of more than 650,000 that is adjacent to two counties, each of which has a population of more than 1.8 million. |
| **EFFECTIVE DATE**  September 1, 2017. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**  While C.S.H.B. 755 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill. |
| | INTRODUCED | HOUSE COMMITTEE SUBSTITUTE | | --- | --- | | SECTION 1. Section 5.202(c), Property Code, is amended to read as follows:  (c) The benefit described by Subsection (b)(9)(C) may collaterally benefit:  (1) a community composed of:  (A) [~~(1)~~] property that is adjacent to the encumbered property; or  (B) [~~(2)~~] property a boundary of which is not more than 1,000 yards from a boundary of the encumbered property; or  (2) with respect to a payment to a school for educational activities, property not described by Subdivision (1) if:  (A) the encumbered property is located within the school's assigned attendance zone; and  (B) the direct benefit to the encumbered property is substantial. | SECTION 1. Section 5.202(c), Property Code, is amended to read as follows:  (c) The benefit described by Subsection (b)(9)(C) may collaterally benefit:  (1) a community composed of:  (A) [~~(1)~~] property that is adjacent to the encumbered property; or  (B) [~~(2)~~] property a boundary of which is not more than 1,000 yards from a boundary of the encumbered property; or  (2) with respect to a payment to a school for educational activities, property not described by Subdivision (1) if the encumbered property is located within:  (A) the school's assigned attendance zone; and  (B) a county with a population of more than 650,000 that is adjacent to two counties, each of which has a population of more than 1.8 million. | | SECTION 2. This Act takes effect September 1, 2017. | SECTION 2. Same as introduced version. | |