

BILL ANALYSIS

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

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

SECTION 1. Section 5.202(c), Property Code, is amended to read as follows:
(c) The benefit described by Subsection

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 5.202(c), Property Code, is amended to read as follows:
(c) The benefit described by Subsection

85R 20371

17.90.73

Substitute Document Number: 85R 19831

(b)(9)(C) may collaterally benefit:
(1) a community composed of:
(A) [~~(4)~~] 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 2. This Act takes effect September 1, 2017.

(b)(9)(C) may collaterally benefit:
(1) a community composed of:
(A) [~~(4)~~] 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. Same as introduced version.