

## **BILL ANALYSIS**

Senate Research Center  
86R4308 JES-D

S.B. 717  
By: Lucio  
Property Tax  
3/22/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Tax Code provides exemptions from property taxation for non-profit organizations created solely to provide a variety of charitable services to their communities. These exemptions allow organizations such as charity hospitals, orphanages, museums, libraries, and volunteer fire departments to dedicate their resources to the provision of valuable services, rather than to the payment of property taxes. Concerned stakeholders report that, although they provide critical support for persons suffering from alcohol abuse disorder, non-profits organized solely to own the property where Alcoholics Anonymous and similar programs hold meetings do not fit any of the exemptions under current property tax law. Because such organizations are supported only by donations, being subject to property taxation will draw from their already severely limited resources and significantly reduce the services they can provide to their communities.

S.B. 717 fixes this oversight by including non-profits organized solely to provide a meeting place and free support services for persons with alcohol abuse disorder in the list of entities eligible for an exemption from property taxation. This solution will allow such organizations to focus their limited resources on the services they provide to their communities.

As proposed, S.B. 717 amends current law relating to the exemption from ad valorem taxation of property owned by a charitable organization that provides a meeting place and support services for organizations that provide assistance to alcoholics or their families.

### **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. Amends Section 11.18(d), Tax Code, 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) and (l), engage exclusively in performing one or more of the following charitable functions:

(1)–(23) makes no changes to these subdivisions;

(24)–(25) makes nonsubstantive changes to these subdivisions;

(26) providing a meeting place and support services for organizations that provide assistance to alcoholics and their families without regard to the beneficiaries' ability to pay.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2020.