

BILL ANALYSIS

Senate Research Center
80R10622 MXM-D

S.B. 1736
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S/C on Emerging Technologies and Economic Dev.
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law (Article 1528m, V.T.C.S.) regulates certain cultural organizations and facilities. Restrictive interpretations of this law have prevented cultural organizations and facilities from being able to finance their activities.

As proposed, S.B. 1736 authorizes certain nonprofit corporations and organizations, including charitable organizations, to finance any activity in which the entity is permitted to engage. This bill also expands the definition of "cultural facility" to include "any capital expenditure by a user."

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 3(5), Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), to redefine "cultural facility."

SECTION 2. Amends Section 4(b), Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), to require the cultural education facilities finance corporation to be created and organized in the same manner as a health facilities development corporation under Chapter 221 (Health Facilities Development Act), Health and Safety Code.

SECTION 3. Amends the Cultural Education Facilities Finance Corporation Act (Article 1528m, V.T.C.S.), by adding Section 4B, as follows:

Sec. 4B. AUTHORIZATION TO FINANCE ACTIVITIES. Authorizes a nonprofit corporation exempt from the state franchise tax under Section 171.063 (Exemption-Nonprofit Corporation Exempt From Federal Income Tax), Tax Code, an organization described in Section 11.18 (Charitable Organizations), Tax Code, or an organization described in Section 501(c)(3) (regarding exemption from tax on corporations, certain trusts, etc.), Internal Revenue Code of 1986, to finance any activity in which the entity is permitted to engage.

SECTION 4. Effective date: upon passage or September 1, 2007.