

## **BILL ANALYSIS**

Senate Research Center  
82R9930 MTB-F

S.B. 1120  
By: Seliger  
Intergovernmental Relations  
3/18/2011  
As Filed

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

Currently, a local government corporation located outside of the Permian Basin is in the process of acquiring two privately-owned natural gas plants located in Ector County. Under Chapter 431 (Texas Transportation Corporation Act), Transportation Code, this type of organization is exempt from property taxes, effectively costing Ector County Independent School District, the City of Odessa, Ector County, Ector County Hospital District, and Odessa College millions of dollars in lost tax revenue.

As proposed, S.B. 1120 amends current law relating to the exemption from taxation of property of a local government corporation.

### **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 431.102(b), Transportation Code, to provide that the property of a local government corporation that is located within the boundaries of a local government that the local government corporation was created to aid and act on behalf of and a transaction to acquire that property are exempt from taxation in the same manner as a corporation created under Chapter 394 (Housing Finance Corporations in Municipalities and Counties), Local Government Code. Makes nonsubstantive changes.

SECTION 2. Effective date: upon passage or September 1, 2011.