

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2999
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Finance
5/11/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recent changes to the Texas Constitution require updates to the law relating to the exemption from property taxation of property owned by certain medical centers in certain counties. H.B. 2999 seeks to provide for these updates, along with certain clarifications. (Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 2999 amends current law relating to the exemption from ad valorem taxation of property owned by certain medical centers in certain counties.

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 11.23(j-1), Tax Code, as follows:

(j-1) Provides that, in a county with a population of 3.3 million or more, all real and personal property owned by a nonprofit corporation, as that term is defined by Section 22.001 (Definitions), Business Organizations Code, organized exclusively for benevolent, charitable, and educational purposes, and held for use in the development or operation of a medical center area or areas in which the nonprofit corporation has donated land for a state medical, dental, or nursing school, for other hospital, medical, educational, research, or nonprofit uses and uses reasonably related to those uses, for auxiliary uses to support those benevolent, charitable, and educational functions, including the invention, development, and dissemination of materials, tools, technologies, processes, and similar means for translating and applying medical and scientific research for practical applications to advance public health, or for governmental or public purposes, including the relief of traffic congestion, is exempt from all ad valorem taxation, rather than provides that, in a county described by Section 201.1055(1) (relating to authorizing the Texas Department of Transportation (TxDOT) to enter into an agreement to develop a building or other facility for TxDOT), Transportation Code, all real and personal property owned by a nonprofit corporation, as defined in the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), and held for use in the development or operation of a medical center area or areas in which the nonprofit corporation has donated land for a state medical, dental, or nursing school, and for other hospital, medical, educational, or nonprofit uses and uses reasonably related thereto, or for governmental or public purposes, including the relief of traffic congestion, and not leased or otherwise used with a view to profit, is exempt from all ad valorem taxation as though the property were, during that time, owned and held by the state for health and educational purposes.

SECTION 2. Provides that Section 11.23(j-1), Tax Code, as amended by this Act, does not exempt from ad valorem taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from ad valorem taxation under that subsection.

SECTION 3. Provides that this Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 4. Effective date: January 1, 2018.