

BILL ANALYSIS

H.B. 2305
By: Canales
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, the legislature created economic development corporations to help cities attract businesses and create job opportunities. These corporations have the ability to levy a sales tax, which makes them quasi-governmental organizations, and are afforded certain tax-exempt status. The parties suggest that the law is not clear with regard to this status and that some counties are taxing property owned by local economic development corporations. H.B. 2305 seeks to clarify the applicable law.

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

H.B. 2305 amends the Tax Code to expand the definition of "nonprofit community business organization," as it relates to a tax exemption for property used by certain nonprofit community business organizations providing economic development services to a local community, to include Type A and Type B corporations as governed by applicable law.

EFFECTIVE DATE

January 1, 2016.