

**SUBJECT:** Exempting child placement agencies from tax as charitable organizations

**COMMITTEE:** Ways and Means — favorable, without amendment

**VOTE:** 11 ayes — Meyer, Thierry, Button, Cole, Guerra, Martinez Fischer, Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

**SENATE VOTE:** On final passage, May 14 — 30-0

**WITNESSES:** No public hearing.

**BACKGROUND:** Tax Code sec. 11.18(a) exempts an organization that qualifies as a charitable organization from taxation of the buildings and tangible personal property owned and used by the organization, and certain real property owned by the organization. Sec. 11.18(d) lists the charitable functions that qualify an organization for the exemption.

Some have called for making child placement agencies eligible for the charitable organization property tax exemption.

**DIGEST:** SB 734 would provide that an organization would qualify as a charitable organization exempt from property taxation if it engaged in charitable functions providing services related to planning for or placing children in foster or adoptive homes or providing support or relief to women who were or could be pregnant and who were considering placing their unborn children for adoption.

The bill would take effect January 1, 2022, and apply only to a property tax year that began on or after that date.

**NOTES:** According to the Legislative Budget Board, the bill could reduce taxable property values and related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.