

BILL ANALYSIS

Senate Research Center

S.B. 1739
By: Armbrister
Finance
4-13-97
As Filed

DIGEST

Currently, the Tax Code exempts from ad valorem taxation property owned by a governmental entity and used for a public purpose. Additionally, the Tax Code provides that if a private person leases exempt property from a governmental entity, the property may be listed on the appraisal roll in the name of the lessee, if the lease is for a term of at least one year, unless the property continues to be used for certain purposes. This bill clarifies that exempt property which is leased from a governmental entity and used for certain purposes should not be listed on the appraisal roll in the name of the holder of the leasehold interest.

PURPOSE

As proposed, S.B. 1739 clarifies that exempt property which is leased from a governmental entity and used for certain purposes should not be listed on the ad valorem tax appraisal roll in the name of the holder of the leasehold interest.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 25.07(b), Tax Code, to prohibit a leasehold or other possessory interest in exempt property from being listed on an ad valorem tax appraisal roll if the property is owned by an incorporated city or town a public port, or a navigation district created or operating under Section 59, Article XVI, Texas Constitution, or under a statute enacted under Section 59, Article, Texas Constitution, and is used as a facility or aid incidental or useful in the operation or development of a port or waterway or in aid of navigation-related commerce.

SECTION 2. Emergency clause.
Effective date: upon passage.