# BILL ANALYSIS

Senate Research Center
76R1702 JD-D

H.J.R. 4
By: Kuempel (Wentworth)
Finance
5/13/1999
Engrossed

## DIGEST

Currently, Section 2(a), Article VIII, Texas Constitution, provides an exemption from ad valorem taxation for property of institutions of purely public charity. The constitution provides that an organization designed to support the elderly is a charitable organization. Many senior citizen centers provide a variety of services to senior citizens. Some counties have interpreted the constitution to mean that the charitable organization must be designed exclusively to provide support to the elderly to qualify for an exemption. Defining a charitable organization in the general law instead of the constitution would ensure uniform taxation of such entities throughout the state.  H.J.R. 4 would include senior citizens centers that provide many kinds of services to the elderly in the definition of a charitable organization.

## PURPOSE

As proposed,  H.J.R. 4 requires the submission to the voters of a constitutional amendment exempting the property of institutions of public charity as defined by general law from ad valorem taxation.

## 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 2(a), Article VIII, Texas Constitution, to exempt the property of institutions of public charity as defined by general law, rather than institutions of purely public charity, from ad valorem taxation.

SECTION 2. Amends Section 71(b), Article XVI, Texas Constitution, to make a conforming change.

SECTION 3. Amends Article VIII, Texas Constitution, to add a temporary provision, to provide that the constitutional amendment proposed takes effect January 1, 2000, and is applicable only to taxes imposed on or after that date.  Provides that this temporary provision expires January 1, 2002.

SECTION 4. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.