

BILL ANALYSIS

Senate Research Center

S.B. 1515
By: Ogden
Finance
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As Filed

DIGEST

Currently in many communities across Texas, the only facility large enough for community events is often the meeting halls of charitable fraternal organizations; the lodge or council hall is the social hub for these communities. Many of these charitable fraternal organizations are having trouble keeping their halls open because of property tax increases. Instead of focusing on their charitable purposes, the fraternal organization members are spending inordinate amounts of time raising money to pay property taxes for their halls. S.B. 1515 would exempt real property owned by fraternal organizations from taxation under certain conditions, including the requirement that a fraternal organization who seeks to take the exemption have as an objective of the organization the duty to perform charitable, benevolent, fraternal, or public service activities.

PURPOSE

As proposed, S.B. 1515 exempts real property owned by fraternal organizations 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 11.23, Tax Code, by adding Subsection (1), as follows:

(1) Fraternal Organizations. Provides that a fraternal organization is entitled to an exemption from taxation of the real property owned by the organization under certain conditions. Requires a fraternal organization under Subsection (a) to have the duty to perform charitable, benevolent, fraternal, or public service activities as an objective. Requires the property of the fraternal organization entitled to the exemption to be used primarily for the charitable, benevolent, fraternal, or public service activities of the organization, and not for the primary purpose of producing profit.

SECTION 2. Provides that this Act takes effect January 1, 2000, but only if the constitutional amendment proposed by the 76th Legislature, Regular Session, 1999, relating to ad valorem taxation of certain property owned by certain fraternal organizations which were chartered by the Congress of the Republic of Texas or were organized by the voters. Provides that if that amendment is not approved by the voters, this Act has no effect.

SECTION 3. Emergency clause.