

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 40  
By: Ogden  
Finance  
4/9/1999  
As Filed

### **DIGEST**

Currently, in many rural communities, the only social hub and facility big enough to hold events is the meeting hall belonging to charitable fraternal organizations. However, because of property tax increases, it becomes difficult to keep the halls open and the memberships must spend an inordinate amount of time raising money, rather than performing charitable services. S.J.R. 40 proposes an amendment which would authorize the legislature to exempt all charitable fraternal organizations, rather than just the Masonic Lodge, from ad valorem property taxes.

### **PURPOSE**

As proposed, S.J.R. 40 requires the submission to the voters of a constitutional amendment to authorize the legislature to exempt from ad valorem taxation property of fraternal organizations which is used primarily for charitable, benevolent, fraternal, or public service activities.

### **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 Article VIII, Section 2, Texas Constitution, by adding Subsections (e) and (f), to authorize the legislature to exempt the property of fraternal organizations which were chartered by the Congress of the Republic of Texas or are organized as a corporation, society, order or voluntary association, from ad valorem taxation, if the property is used for charitable, benevolent, fraternal, or public service activities. Authorizes the legislature to provide qualifications and limitations for the exemption.

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