

## **BILL ANALYSIS**

Senate Research Center  
84R6652 LEH-D

H.B. 3623  
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Finance  
5/21/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3623 creates a property tax exemption for the National Hispanic Institute.

Section 11.23, Tax Code, provides for property tax exemptions for various non-profit organizations, among other exemptions.

The National Hispanic Institute is a 501(c)(3), charitable organization located in Caldwell County.

Since 1986, charitable organizations exempted from federal income tax are exempted from state property taxes.

The National Hispanic Institute, while eligible to be exempt from state property taxes, has been forced to pay these taxes by Caldwell County. However, Caldwell County officials have not publicly stated any opposition to granting the exemption.

H.B. 3623 exempts the National Hispanic Institute from state and local property taxes as long as it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986. H.B. 3623 takes effect on January 1, 2016, and applies only to a tax year beginning on or after that date.

H.B. 3623 amends current law relating to the exemption from ad valorem taxation of property owned by the National Hispanic Institute.

### **RULEMAKING AUTHORITY**

This bill does not expressly 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 (m), as follows:

(m) National Hispanic Institute. Entitles the National Hispanic Institute to an exemption from taxation of the real and tangible personal property it owns as long as the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code.

SECTION 2. Amends Section 11.43(c), Tax Code, to add Section 11.23(m) to a list of sections that provides an exemption set forth.

SECTION 3. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 4. Effective date: January 1, 2016.