

BILL ANALYSIS

Senate Research Center

H.B. 755
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Education
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This is a local bill that allows education foundations in Denton County to make charitable donations to adjacent schools.

A "private transfer fee obligation" means an obligation to pay a private transfer fee created under: (A) a declaration or other covenant recorded in the real property records in the county in which the property subject to the private transfer fee obligation is located; (B) a contractual agreement or promise; or, (C) an unrecorded contractual agreement or promise.

H.B. 8 (82R, Rep. Darby) restricted entities with private transfer fee obligations, including education foundations, to giving contributions only to organizations located in or within 1,000 yards of the encumbered property of the entity. This provision was included because certain foundations used to utilize the fee to donate to charities of their personal preference that had no direct benefit on the community.

The impact of H.B. 8 (82R) was that some entities with private transfer fee obligations became unable to charitably donate to local schools. For example, the Lantana Education Foundation is now unable to donate to Guyer High School in Denton because the foundation is more than 1,000 yards from the school, even though the Lantana neighborhood is within the school's attendance zone. As a result, the foundation was unable to fund several of Guyer's initiatives, including their student grad night or programs intended to improve student success.

H.B. 755 offers a small carve-out, bracketed to Denton County, which will allow the Lantana Education Foundation to resume support of Guyer High School activities.

H.B. 755 amends current law relating to the use by certain tax-exempt organizations of certain payments made in connection with real property transfers to provide educational activities through certain schools.

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 5.202(c), Property Code, as follows:

(c) Authorizes the benefit described by Subsection (b)(9)(C) (relating to an organization using the payments to which this subsection applies to directly benefit the encumbered property in a certain manner not being considered private transfer fee obligations) to collaterally benefit:

(1) a community composed of:

(A) and (B) redesignates existing Subdivisions (1) and (2) as Paragraphs (A) and (B) and makes no further changes to these paragraphs; or

(2) with respect to a payment to a school for educational activities, property not described by Subdivision (1) if the encumbered property is located within:

(A) the school's assigned attendance zone; and

(B) a county with a population of more than 650,000 that is adjacent to two counties, each of which has a population of more than 1.8 million.

SECTION 2. Effective: September 1, 2017.