

BILL ANALYSIS

Senate Research Center
87R3616 SMT-F

S.B. 734
By: Paxton
Finance
4/21/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law it is unclear whether child placing agencies that place children directly with an adoptive family qualify for a charitable organization exemption under Section 11.18, Texas Tax Code.

Child placing agencies provide support or relief to birthmothers in need of counseling/assistance during the adoption process and children in need of safe foster and adoptive homes. These organizations help provide loving parents and safe permanent homes for children. For newborn children, this process requires planning and preparations before a child is born.

S.B. 734 clarifies this issue by adding language to Section 11.18 to ensure these child placing agencies can receive a charitable organization exemption.

As proposed, S.B. 734 amends current law relating to an exemption from ad valorem taxation of property owned by a charitable organization that provides services related to the placement of a child in a foster or adoptive home.

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 11.18(d), Tax Code, as follows:

(d) Requires that a charitable organization be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) (relating to certain noncharitable functions performed by charitable organizations) and (l) (relating to certain charitable organizations providing support to elderly persons), engage exclusively in performing certain charitable functions, including providing services related to planning for the placement of or placing children in foster or adoptive homes or providing support or relief to women who are or may be pregnant and who are considering placing their unborn children for adoption. Makes nonsubstantive changes.

SECTION 2. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2022.