

BILL ANALYSIS

Senate Research Center
88R312 DRS-F

S.B. 719
By: Paxton
Local Government
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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 of the Texas Tax Code.

Child placing agencies provide support or relief to birthmothers in need of counseling or other 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. 719 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. 719 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 a charitable organization to be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) (relating to providing that performance of noncharitable functions does not result in loss of an exemption if those other functions are incidental to an organization's charitable functions) and (l) (relating to authorizing a charitable organization that provides support to elderly persons to engage in other activities related to its required charitable functions), engage exclusively in performing one or more of the following charitable functions:

- (1) makes no changes to this subdivision;
- (2) refers to children with disabilities, rather than handicapped children;
- (3) refers to persons with disabilities, rather than the handicapped;
- (4)-(17) makes no changes to these subdivisions;
- (18) refers to individuals with disabilities, rather than handicapped individuals;
- (19)-(23) makes no changes to these subdivisions;
- (24)-(25) makes nonsubstantive changes to these subdivisions; or

(26) 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.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2024.