

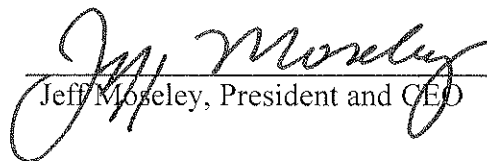
**Resolution of the Board of Directors in Support of the Ad Valorem Tax
Exemption of Property Used by Certain Nonprofit Community Business
Organizations**

The greater Houston region's success depends upon continual economic growth in the area and the support of those nonprofit organizations focused on this development.

The Greater Houston Partnership supports legislative efforts to exempt property used by certain nonprofit community business organizations engaged in economic development activities from ad valorem taxation. The resulting financial gain will allow the nonprofit community business organizations to have more money for economic development initiatives and growth in the region.



Daniel G. Bellow, Chairman



Jeff Moseley, President and CEO



Patrick C. Oxford, Secretary

MEMORANDUM

DATE: March 18, 2009

TO: Greater Houston Partnership Board of Directors

FROM: Roland Rodriguez
Chairman, Tax and Fiscal Advisory Committee

SUBJECT: Resolution of the Board of Directors in Support of the Ad Valorem Tax Exemption of Property Used by Certain Nonprofit Community Business Organizations

RECOMMENDATION:

The greater Houston region's success depends upon continual economic growth in the area and the support of those nonprofit organizations focused on this development.

The Greater Houston Partnership supports legislative efforts to exempt property used by certain nonprofit community business organizations to engaged in economic development activities from ad valorem taxation. The resulting financial gain will allow the nonprofit community business organizations to have more money for economic development initiatives and growth in the region.

BACKGROUND:

Section 11.01, Tax Code, requires all real and tangible personal property subject to the jurisdiction of the state be taxable unless exempt by law. The legislation at issue amends subchapter B, Chapter 11, Tax Code, to add an additional exemption for nonprofit community business organizations. To qualify for the exemption, the nonprofit organization must be primarily engaged in economic development functions and business promotion services.

During the 80th Legislative Session, similar legislation passed in the House and was referred to the Senate Finance Committee. However, the legislation never left the Senate Committee.

IMPLEMENTATION:

To implement this recommendation, the Partnership would communicate its support of this resolution to the Legislature.

FISCAL IMPACT:

The financial strain of the current economic climate significantly affects nonprofit community business organizations and their ability to accomplish their goals. Creating a property tax exemption for these nonprofit organizations would provide a much needed financial benefit for these organizations. The extra money resulting from this exemption can be put toward more economic development activities, and, in turn, economic prosperity in the region.

KNOWN OPPOSITION:

At this time, we know of no opposition to the ad valorem tax exemption for certain nonprofit community business organizations.

RESOURCES REQUIRED:

No resources are required to implement this recommendation.