



Resolution 2007-002

March 15, 2007

**A RESOLUTION IN SUPPORT OF HB 1837 WHICH WILL EXEMPT CHAMBERS OF COMMERCE FROM AD VALOREM TAXATION ON PROPERTY OWNED BY 501(C)(6) NONPROFIT COMMUNITY BUSINESS ORGANIZATIONS**

**WHEREAS**, nonprofit community business organizations, such as local chambers of commerce, play a significant role in Texas communities with an overall objective of promoting economic growth, job creation, and business prosperity, and;

**WHEREAS**, the federal government recognizes 501(c)(6) nonprofit community business organizations as tax exempt by not requiring them to pay federal income tax, and;

**WHEREAS**, the State of Texas exempts 501)(6) nonprofit community business organizations from paying sales tax in most instances unless the tax is for something that is being "re-sold", and;

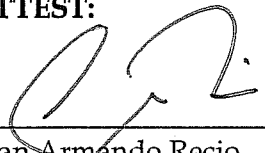
**WHEREAS**, the programs of 501(c)(6) community business organizations provide economic activity to the local communities they are serving and the State of Texas thus providing a financial return to the community and state as a result of their work, and;

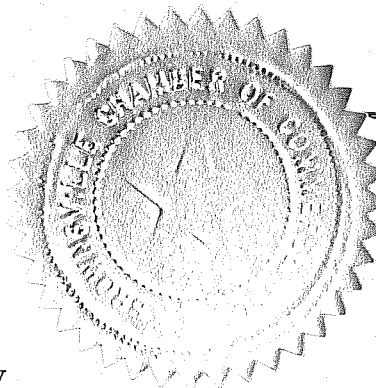
**WHEREAS**, the work of community nonprofit business organizations are primarily financed by the investment of tax paying members who support the organization through membership dues.

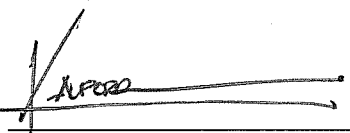
**NOW, THEREFORE, BE IT RESOLVED** that the Brownsville Chamber of Commerce Board of Directors wholeheartedly endorses the passage of HB 1837 by Taylor that would provide exemption from ad valorem taxation on property owned by a 501(c)(6) nonprofit community business organization that provides services to aid in economic development of local communities.

Done this 15<sup>TH</sup> day of March, 2007

**ATTEST:**

  
\_\_\_\_\_  
Juan Armando Recio  
2<sup>nd</sup> Vice Chairman/Secretary



  
\_\_\_\_\_  
Kevin Alford  
Chairman of the Board



March 20, 2007

**Hand Delivery**

The Honorable Juan Escobar  
Texas House of Representatives  
P.O. Box 2910, EXT E2.606  
Austin, TX 78768

Dear Representative Escobar:

I am writing you today to ask your support for HB 1837, a bill that would provide exemption from ad valorem taxation on property owned by a 501(c)(6) nonprofit community business organization that provides services to aid in economic development of local communities. Rep. Larry Taylor is the bill author and a number of other State Representatives have signed on as co-authors.


The federal government recognizes 501(c)(6) organizations as tax exempt by not requiring them to pay federal income tax. The State of Texas exempts 501(c)(6) organizations from paying sales tax in most instances unless the tax is for something that is being "re-sold". Since 501(c)(6) organizations are exempt from sales and income taxes, it would be consistent to provide property tax exemptions as well.

Unlike 501(c)(3) organizations that are exempted from property tax, the programs of 501(c)(6) organizations provide economic activity to the local communities they are serving and the State of Texas thus providing a financial return to the community and state as a result of their work. The bill covers this aspect to assure that the community business organizations are providing economic development activity.

While this bill has a very minor fiscal impact on the local government taxing entities when spread across the state, it helps in providing more scarce resources for 501(c)(6) organizations to put toward community and economic development programming. Additional measures have been proposed in the bill to assure that only legitimate nonprofit community business organizations can qualify for the tax exemption.

We encourage your support HB 1837 and would also encourage you to sign on as a bill co-author as well. Please let us know if there is any additional information that we can provide you concerning this legislation.

Sincerely,

  
Angela R. Burton  
President/CEO

**Brownsville Chamber of Commerce**

1600 University Blvd. • Brownsville, Texas 78520 • (956) 542-4341 • (956) 504-3348 Fax • email: info@brownsvillechamber.com

*"Our Business is Brownsville's Business!"*



# The Chamber

Brownsville, Texas

March 20, 2007

## Hand Delivery

The Honorable Eddie Lucio, III  
Texas House of Representatives  
P.O. Box 2910, EXT E1.316  
Austin, TX 78768

Dear Representative Lucio:

I am writing you today to ask your support for HB 1837, a bill that would provide exemption from ad valorem taxation on property owned by a 501(c)(6) nonprofit community business organization that provides services to aid in economic development of local communities. Rep. Larry Taylor is the bill author and a number of other State Representatives have signed on as co-authors.

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March 20, 2007

**Hand Delivery**

The Honorable Rene O. Oliveira  
Texas House of Representatives  
P.O. Box 2910, CAP 4N.10  
Austin, TX 78768

Dear Representative Oliveira:

I am writing you today to ask your support for HB 1837, a bill that would provide exemption from ad valorem taxation on property owned by a 501(c)(6) nonprofit community business organization that provides services to aid in economic development of local communities. Rep. Larry Taylor is the bill author and a number of other State Representatives have signed on as co-authors.

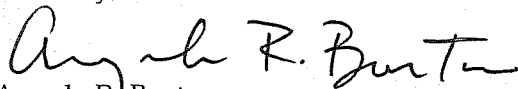
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