

By: Talarico

H.B. No. 1801

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of real property used to operate a child-care facility.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.36 to read as follows:

Sec. 11.36. CHILD-CARE FACILITIES. (a) In this section, "child-care facility" has the meaning assigned by Section 42.002, Human Resources Code.

(b) A person is entitled to an exemption from taxation of the real property the person owns and operates as a child-care facility that qualifies as provided by Subsection (d) if:

(1) except as provided by Subsection (c), the property is used exclusively to provide developmental and educational services for children attending the facility; and

(2) the property is reasonably necessary for the operation of the facility.

(c) The use of exempt property for functions other than providing developmental and educational services for children attending the child-care facility located on the property does not result in the loss of an exemption authorized by this section if those other functions are incidental to the use of the property for providing those services to those children and benefit:

(1) those children; or

1 (2) the staff and faculty of the facility.

2 (d) To qualify as a child-care facility for purposes of this
3 section, an entity, whether operated by an individual, as a
4 corporation, or as an association, must be accredited by a
5 nationally recognized accrediting organization for child-care or
6 early childhood education facilities or programs approved by the
7 Texas Workforce Commission and the Department of Family and
8 Protective Services as applying criteria for accreditation
9 adequate to ensure the quality of an accredited facility or
10 program, such as the National Association for the Education of
11 Young Children or the National Early Childhood Program
12 Accreditation Commission.

13 (e) Property is not ineligible for an exemption under this
14 section if a portion of the property is used for functions other
15 than those described by Subsections (b) and (c). However, the
16 exemption does not apply to the value of the portion of the property
17 that is used for those other functions.

18 SECTION 2. Section 11.43(c), Tax Code, is amended to read as
19 follows:

20 (c) An exemption provided by Section 11.13, 11.131, 11.132,
21 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
22 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
23 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, ~~or~~ 11.35, or
24 11.36, once allowed, need not be claimed in subsequent years, and
25 except as otherwise provided by Subsection (e), the exemption
26 applies to the property until it changes ownership or the person's
27 qualification for the exemption changes. However, except as

1 provided by Subsection (r), the chief appraiser may require a
2 person allowed one of the exemptions in a prior year to file a new
3 application to confirm the person's current qualification for the
4 exemption by delivering a written notice that a new application is
5 required, accompanied by an appropriate application form, to the
6 person previously allowed the exemption. If the person previously
7 allowed the exemption is 65 years of age or older, the chief
8 appraiser may not cancel the exemption due to the person's failure
9 to file the new application unless the chief appraiser complies
10 with the requirements of Subsection (q), if applicable.

11 SECTION 3. This Act applies only to ad valorem taxes imposed
12 for a tax year beginning on or after the effective date of this Act.

13 SECTION 4. This Act takes effect January 1, 2024, but only
14 if the constitutional amendment proposed by the 88th Legislature,
15 Regular Session, 2023, authorizing the legislature to exempt from
16 ad valorem taxation real property used to operate a child-care
17 facility is approved by the voters. If that amendment is not
18 approved by the voters, this Act has no effect.