

By: Hefner

H.B. No. 3691

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the exemption from ad valorem taxation of certain  
3 property owned by a charitable organization that is engaged in  
4 providing housing and related facilities and services to persons  
5 who are at least 62 years of age.

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

7 SECTION 1. Section 11.18(d), Tax Code, is amended to read as  
8 follows:

9 (d) A charitable organization must be organized exclusively  
10 to perform religious, charitable, scientific, literary, or  
11 educational purposes and, except as permitted by Subsections (h)  
12 and (l), engage exclusively in performing one or more of the  
13 following charitable functions:

14 (1) providing medical care without regard to the  
15 beneficiaries' ability to pay, which in the case of a nonprofit  
16 hospital or hospital system means providing charity care and  
17 community benefits in accordance with Section 11.1801;

18 (2) providing support or relief to orphans, delinquent  
19 or [7] dependent[7 or handicapped] children in need of residential  
20 care, children with disabilities in need of residential care,  
21 abused or battered spouses or children in need of temporary  
22 shelter, the impoverished, or victims of natural disaster without  
23 regard to the beneficiaries' ability to pay;

24 (3) providing support without regard to the

1 beneficiaries' ability to pay to:

2 (A) elderly persons, including the provision of:

3 (i) recreational or social activities; and

4 (ii) facilities designed to address the  
5 special needs of elderly persons; or

6 (B) persons with disabilities [~~the handicapped~~],  
7 including training and employment:

8 (i) in the production of commodities; or

9 (ii) in the provision of services under 41  
10 U.S.C. Sections 8501-8506;

11 (4) preserving a historical landmark or site;

12 (5) promoting or operating a museum, zoo, library,  
13 theater of the dramatic or performing arts, or symphony orchestra  
14 or choir;

15 (6) promoting or providing humane treatment of  
16 animals;

17 (7) acquiring, storing, transporting, selling, or  
18 distributing water for public use;

19 (8) answering fire alarms and extinguishing fires with  
20 no compensation or only nominal compensation to the members of the  
21 organization;

22 (9) promoting the athletic development of boys or  
23 girls under the age of 18 years;

24 (10) preserving or conserving wildlife;

25 (11) promoting educational development through loans  
26 or scholarships to students;

27 (12) providing halfway house services pursuant to a

1 certification as a halfway house by the parole division of the Texas  
2 Department of Criminal Justice;

3 (13) providing permanent housing and related social,  
4 health care, and educational facilities for persons who are 62  
5 years of age or older:

6 (A) without regard to the residents' ability to  
7 pay; or

8 (B) as an organization that provides charitable  
9 housing and services in an amount that is not less than four percent  
10 of the charitable organization's net resident revenue;

11 (14) promoting or operating an art gallery, museum, or  
12 collection, in a permanent location or on tour, that is open to the  
13 public;

14 (15) providing for the organized solicitation and  
15 collection for distributions through gifts, grants, and agreements  
16 to nonprofit charitable, education, religious, and youth  
17 organizations that provide direct human, health, and welfare  
18 services;

19 (16) performing biomedical or scientific research or  
20 biomedical or scientific education for the benefit of the public;

21 (17) operating a television station that produces or  
22 broadcasts educational, cultural, or other public interest  
23 programming and that receives grants from the Corporation for  
24 Public Broadcasting under 47 U.S.C. Section 396, as amended;

25 (18) providing housing for low-income and  
26 moderate-income families, for unmarried individuals 62 years of age  
27 or older, for [~~handicapped~~] individuals with disabilities, and for

1 families displaced by urban renewal, through the use of trust  
2 assets that are irrevocably and, pursuant to a contract entered  
3 into before December 31, 1972, contractually dedicated on the sale  
4 or disposition of the housing to a charitable organization that  
5 performs charitable functions described by Subdivision (9);

6 (19) providing housing and related services to persons  
7 who are 62 years of age or older in a retirement community, if the  
8 retirement community provides independent living services,  
9 assisted living services, and nursing services to its residents on  
10 a single campus:

11 (A) without regard to the residents' ability to  
12 pay; or

13 (B) as an organization that provides charitable  
14 housing and services in an amount that is not less than four percent  
15 of the charitable organization's net resident revenue [~~in which at~~  
16 ~~least four percent of the retirement community's combined net~~  
17 ~~resident revenue is provided in charitable care to its residents];~~

18 (20) providing housing on a cooperative basis to  
19 students of an institution of higher education if:

20 (A) the organization is exempt from federal  
21 income taxation under Section 501(a), Internal Revenue Code of  
22 1986, as amended, by being listed as an exempt entity under Section  
23 501(c)(3) of that code;

24 (B) membership in the organization is open to all  
25 students enrolled in the institution and is not limited to those  
26 chosen by current members of the organization;

27 (C) the organization is governed by its members;

1 and

2 (D) the members of the organization share the  
3 responsibility for managing the housing;

4 (21) acquiring, holding, and transferring unimproved  
5 real property under an urban land bank demonstration program  
6 established under Chapter 379C, Local Government Code, as or on  
7 behalf of a land bank;

8 (22) acquiring, holding, and transferring unimproved  
9 real property under an urban land bank program established under  
10 Chapter 379E, Local Government Code, as or on behalf of a land bank;

11 (23) providing housing and related services to  
12 individuals who:

13 (A) are unaccompanied and homeless and have a  
14 disabling condition; and

15 (B) have been continuously homeless for a year or  
16 more or have had at least four episodes of homelessness in the  
17 preceding three years;

18 (24) operating a radio station that broadcasts  
19 educational, cultural, or other public interest programming,  
20 including classical music, and that in the preceding five years has  
21 received or been selected to receive one or more grants from the  
22 Corporation for Public Broadcasting under 47 U.S.C. Section 396, as  
23 amended; or

24 (25) providing, without regard to the beneficiaries'  
25 ability to pay, tax return preparation services and assistance with  
26 other financial matters.

27 SECTION 2. Section 11.18(k), Tax Code, is amended by adding

1 Subdivision (1-a) to read as follows:

2 (1-a) "Charitable housing and services" means the  
3 following provided by a charitable organization to a person 62  
4 years of age or older in financial need:

5 (A) housing, including as an independent living  
6 facility, assisted living facility, or nursing facility; and

7 (B) any service designed to meet the unique needs  
8 of a person 62 years of age or older, including:

9 (i) ministerial services;

10 (ii) government-sponsored indigent health  
11 care;

12 (iii) social services;

13 (iv) health services;

14 (v) educational services; and

15 (vi) donations to an organization that  
16 qualifies for an exemption under Subsection (d)(13) or (19).

17 SECTION 3. The changes in law made by this Act apply only to  
18 an ad valorem tax year that begins on or after the effective date of  
19 this Act.

20 SECTION 4. This Act takes effect January 1, 2024.