

By: Button

H.B. No. 4774

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption from ad valorem taxation of property
3 owned by an organization engaged primarily in performing charitable
4 functions.

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

6 SECTION 1. Section 11.184, Tax Code, is amended by amending
7 Subsection (k) and adding Subsections (k-1), (k-2), (k-3), and
8 (k-4) to read as follows:

9 (k) An exemption under this section expires when:

10 (1) the organization no longer owns the property
11 described by Subsection (c); or

12 (2) the comptroller determines based on the factors
13 provided by Subsection (e) that the organization no longer
14 qualifies for an exemption [at the end of the fifth tax year after
15 the year in which the exemption is granted. To continue to receive
16 an exemption under this section after that year, the organization
17 must obtain a new determination letter and reapply for the
18 exemption].

19 (k-1) An organization receiving an exemption under this
20 section shall notify the comptroller and the chief appraiser of the
21 appraisal district established for the county in which the exempt
22 property is located of each of the following material changes not
23 later than the 30th day after the date the material change occurs:

24 (1) the organization sells or otherwise disposes of

1 the property that is subject to the exemption;

2 (2) the Internal Revenue Service determines that the
3 organization is no longer an exempt entity under Section 501(c)(3),
4 Internal Revenue Code of 1986; or

5 (3) the organization no longer qualifies for an
6 exemption under Section 151.310.

7 (k-2) Notwithstanding Subsection (k), an organization that
8 received an exemption granted under this section that expired
9 before September 1, 2023, is entitled to an automatic reinstatement
10 of the expired exemption under this section for each tax year
11 following the tax year in which the exemption expired if the
12 organization:

13 (1) still owns the property that was exempt from
14 taxation under this section;

15 (2) has a valid determination letter issued by the
16 comptroller under Subsection (f); and

17 (3) submits a written request to the chief appraiser
18 of the appraisal district established for the county in which the
19 exempt property is located that includes:

20 (A) proof that the organization was previously
21 granted an exemption under this section for the property that is the
22 subject of the request; and

23 (B) a copy of the determination letter issued by
24 the comptroller under Subsection (f).

25 (k-3) If an organization is entitled to continue to receive
26 an exemption under Subsection (k-2), the exemption remains in
27 effect until it expires as provided by Subsection (k).

1 (k-4) An organization that is entitled to continue to
2 receive an exemption under Subsection (k-2) does not owe any tax on
3 the exempt property for the period starting on the date the
4 exemption expired under Subsection (k) and ending on the date the
5 organization is entitled to continue to receive the exemption under
6 Subsection (k-2). If the organization paid taxes on the property
7 during that period, the collector shall refund to the organization
8 the amount of tax imposed on the property. The collector shall pay
9 the refund not later than the 30th day after the date the chief
10 appraiser notifies the collector of the approval of the continued
11 exemption under Subsection (k-2).

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

14 (c) An exemption provided by Section 11.13, 11.131, 11.132,
15 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.184,
16 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),
17 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, or
18 11.35, once allowed, need not be claimed in subsequent years, and
19 except as otherwise provided by Subsection (e), the exemption
20 applies to the property until it changes ownership or the person's
21 qualification for the exemption changes. However, except as
22 provided by Subsection (r), the chief appraiser may require a
23 person allowed one of the exemptions in a prior year to file a new
24 application to confirm the person's current qualification for the
25 exemption by delivering a written notice that a new application is
26 required, accompanied by an appropriate application form, to the
27 person previously allowed the exemption. If the person previously

1 allowed the exemption is 65 years of age or older, the chief
2 appraiser may not cancel the exemption due to the person's failure
3 to file the new application unless the chief appraiser complies
4 with the requirements of Subsection (q), if applicable.

5 SECTION 3. This Act takes effect January 1, 2024.