

1-1 By: Paxton S.B. No. 719  
 1-2 (In the Senate - Filed February 6, 2023; March 1, 2023, read  
 1-3 first time and referred to Committee on Local Government;  
 1-4 April 24, 2023, reported favorably by the following vote: Yeas 8,  
 1-5 Nays 0; April 24, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker	X			
1-14 Paxton	X			
1-15 West	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to an exemption from ad valorem taxation of property owned  
 1-20 by a charitable organization that provides services related to the  
 1-21 placement of a child in a foster or adoptive home.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 11.18(d), Tax Code, is amended to read as  
 1-24 follows:

1-25 (d) A charitable organization must be organized exclusively  
 1-26 to perform religious, charitable, scientific, literary, or  
 1-27 educational purposes and, except as permitted by Subsections (h)  
 1-28 and (l), engage exclusively in performing one or more of the  
 1-29 following charitable functions:

1-30 (1) providing medical care without regard to the  
 1-31 beneficiaries' ability to pay, which in the case of a nonprofit  
 1-32 hospital or hospital system means providing charity care and  
 1-33 community benefits in accordance with Section 11.1801;

1-34 (2) providing support or relief to orphans, delinquent  
 1-35 ~~or [7] dependent [7, or handicapped]~~ children in need of residential  
 1-36 care, children with disabilities in need of residential care,  
 1-37 ~~abused or battered spouses or children in need of temporary~~  
 1-38 ~~shelter, the impoverished, or victims of natural disaster without~~  
 1-39 ~~regard to the beneficiaries' ability to pay;~~

1-40 (3) providing support without regard to the  
 1-41 beneficiaries' ability to pay to:

1-42 (A) elderly persons, including the provision of:  
 1-43 (i) recreational or social activities; and  
 1-44 (ii) facilities designed to address the  
 1-45 special needs of elderly persons; or

1-46 (B) persons with disabilities ~~[the handicapped]~~,  
 1-47 including training and employment:

1-48 (i) in the production of commodities; or  
 1-49 (ii) in the provision of services under 41

1-50 U.S.C. Sections 8501-8506;

1-51 (4) preserving a historical landmark or site;

1-52 (5) promoting or operating a museum, zoo, library,  
 1-53 theater of the dramatic or performing arts, or symphony orchestra  
 1-54 or choir;

1-55 (6) promoting or providing humane treatment of  
 1-56 animals;

1-57 (7) acquiring, storing, transporting, selling, or  
 1-58 distributing water for public use;

1-59 (8) answering fire alarms and extinguishing fires with  
 1-60 no compensation or only nominal compensation to the members of the  
 1-61 organization;

- 2-1 (9) promoting the athletic development of boys or  
 2-2 girls under the age of 18 years;
- 2-3 (10) preserving or conserving wildlife;
- 2-4 (11) promoting educational development through loans  
 2-5 or scholarships to students;
- 2-6 (12) providing halfway house services pursuant to a  
 2-7 certification as a halfway house by the parole division of the Texas  
 2-8 Department of Criminal Justice;
- 2-9 (13) providing permanent housing and related social,  
 2-10 health care, and educational facilities for persons who are 62  
 2-11 years of age or older without regard to the residents' ability to  
 2-12 pay;
- 2-13 (14) promoting or operating an art gallery, museum, or  
 2-14 collection, in a permanent location or on tour, that is open to the  
 2-15 public;
- 2-16 (15) providing for the organized solicitation and  
 2-17 collection for distributions through gifts, grants, and agreements  
 2-18 to nonprofit charitable, education, religious, and youth  
 2-19 organizations that provide direct human, health, and welfare  
 2-20 services;
- 2-21 (16) performing biomedical or scientific research or  
 2-22 biomedical or scientific education for the benefit of the public;
- 2-23 (17) operating a television station that produces or  
 2-24 broadcasts educational, cultural, or other public interest  
 2-25 programming and that receives grants from the Corporation for  
 2-26 Public Broadcasting under 47 U.S.C. Section 396, as amended;
- 2-27 (18) providing housing for low-income and  
 2-28 moderate-income families, for unmarried individuals 62 years of age  
 2-29 or older, for ~~handicapped~~ individuals with disabilities, and for  
 2-30 families displaced by urban renewal, through the use of trust  
 2-31 assets that are irrevocably and, pursuant to a contract entered  
 2-32 into before December 31, 1972, contractually dedicated on the sale  
 2-33 or disposition of the housing to a charitable organization that  
 2-34 performs charitable functions described by Subdivision (9);
- 2-35 (19) providing housing and related services to persons  
 2-36 who are 62 years of age or older in a retirement community, if the  
 2-37 retirement community provides independent living services,  
 2-38 assisted living services, and nursing services to its residents on  
 2-39 a single campus:
- 2-40 (A) without regard to the residents' ability to  
 2-41 pay; or
- 2-42 (B) in which at least four percent of the  
 2-43 retirement community's combined net resident revenue is provided in  
 2-44 charitable care to its residents;
- 2-45 (20) providing housing on a cooperative basis to  
 2-46 students of an institution of higher education if:
- 2-47 (A) the organization is exempt from federal  
 2-48 income taxation under Section 501(a), Internal Revenue Code of  
 2-49 1986, as amended, by being listed as an exempt entity under Section  
 2-50 501(c)(3) of that code;
- 2-51 (B) membership in the organization is open to all  
 2-52 students enrolled in the institution and is not limited to those  
 2-53 chosen by current members of the organization;
- 2-54 (C) the organization is governed by its members;
- 2-55 and
- 2-56 (D) the members of the organization share the  
 2-57 responsibility for managing the housing;
- 2-58 (21) acquiring, holding, and transferring unimproved  
 2-59 real property under an urban land bank demonstration program  
 2-60 established under Chapter 379C, Local Government Code, as or on  
 2-61 behalf of a land bank;
- 2-62 (22) acquiring, holding, and transferring unimproved  
 2-63 real property under an urban land bank program established under  
 2-64 Chapter 379E, Local Government Code, as or on behalf of a land bank;
- 2-65 (23) providing housing and related services to  
 2-66 individuals who:
- 2-67 (A) are unaccompanied and homeless and have a  
 2-68 disabling condition; and
- 2-69 (B) have been continuously homeless for a year or

3-1 more or have had at least four episodes of homelessness in the  
3-2 preceding three years;  
3-3 (24) operating a radio station that broadcasts  
3-4 educational, cultural, or other public interest programming,  
3-5 including classical music, and that in the preceding five years has  
3-6 received or been selected to receive one or more grants from the  
3-7 Corporation for Public Broadcasting under 47 U.S.C. Section 396,  
3-8 as amended; ~~or~~  
3-9 (25) providing, without regard to the beneficiaries'  
3-10 ability to pay, tax return preparation services and assistance with  
3-11 other financial matters; or  
3-12 (26) providing services related to planning for the  
3-13 placement of or placing children in foster or adoptive homes or  
3-14 providing support or relief to women who are or may be pregnant and  
3-15 who are considering placing their unborn children for adoption.  
3-16 SECTION 2. This Act applies only to an ad valorem tax year  
3-17 that begins on or after the effective date of this Act.  
3-18 SECTION 3. This Act takes effect January 1, 2024.

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