

1-1 By: Parker S.B. No. 2361
 1-2 (In the Senate - Filed March 10, 2023; March 23, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 May 2, 2023, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; May 2, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

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

1-19 relating to the exemption from ad valorem taxation of property
 1-20 owned by an organization engaged primarily in performing charitable
 1-21 functions.

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

1-23 SECTION 1. Section 11.184, Tax Code, is amended by amending
 1-24 Subsection (k) and adding Subsections (k-1), (k-2), (k-3), and
 1-25 (k-4) to read as follows:

1-26 (k) An exemption under this section expires when:

1-27 (1) the organization no longer owns the property
 1-28 described by Subsection (c); or

1-29 (2) the comptroller determines based on the factors
 1-30 provided by Subsection (e) that the organization no longer
 1-31 qualifies for an exemption [at the end of the fifth tax year after
 1-32 the year in which the exemption is granted. To continue to receive
 1-33 an exemption under this section after that year, the organization
 1-34 must obtain a new determination letter and reapply for the
 1-35 exemption].

1-36 (k-1) An organization receiving an exemption under this
 1-37 section shall notify the comptroller and the chief appraiser of the
 1-38 appraisal district established for the county in which the exempt
 1-39 property is located of each of the following material changes not
 1-40 later than the 30th day after the date the material change occurs:

1-41 (1) the organization sells or otherwise disposes of
 1-42 the property that is subject to the exemption;

1-43 (2) the Internal Revenue Service determines that the
 1-44 organization is no longer an exempt entity under Section 501(c)(3),
 1-45 Internal Revenue Code of 1986; or

1-46 (3) the organization no longer qualifies for an
 1-47 exemption under Section 151.310.

1-48 (k-2) Notwithstanding Subsection (k), an organization that
 1-49 received an exemption granted under this section that expired
 1-50 before September 1, 2023, is entitled to an automatic reinstatement
 1-51 of the expired exemption under this section for each tax year
 1-52 following the tax year in which the exemption expired if the
 1-53 organization:

1-54 (1) still owns the property that was exempt from
 1-55 taxation under this section;

1-56 (2) has a valid determination letter issued by the
 1-57 comptroller under Subsection (f); and

1-58 (3) submits a written request to the chief appraiser
 1-59 of the appraisal district established for the county in which the
 1-60 exempt property is located that includes:

1-61 (A) proof that the organization was previously

2-1 granted an exemption under this section for the property that is the
2-2 subject of the request; and

2-3 (B) a copy of the determination letter issued by
2-4 the comptroller under Subsection (f).

2-5 (k-3) If an organization is entitled to continue to receive
2-6 an exemption under Subsection (k-2), the exemption remains in
2-7 effect until it expires as provided by Subsection (k).

2-8 (k-4) An organization that is entitled to continue to
2-9 receive an exemption under Subsection (k-2) does not owe any tax on
2-10 the exempt property for the period starting on the date the
2-11 exemption expired under Subsection (k) and ending on the date the
2-12 organization is entitled to continue to receive the exemption under
2-13 Subsection (k-2). If the organization paid taxes on the property
2-14 during that period, the collector shall refund to the organization
2-15 the amount of tax imposed on the property. The collector shall pay
2-16 the refund not later than the 30th day after the date the chief
2-17 appraiser notifies the collector of the approval of the continued
2-18 exemption under Subsection (k-2).

2-19 SECTION 2. Section 11.43(c), Tax Code, is amended to read as
2-20 follows:

2-21 (c) An exemption provided by Section 11.13, 11.131, 11.132,
2-22 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.184,
2-23 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),
2-24 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, or
2-25 11.35, once allowed, need not be claimed in subsequent years, and
2-26 except as otherwise provided by Subsection (e), the exemption
2-27 applies to the property until it changes ownership or the person's
2-28 qualification for the exemption changes. However, except as
2-29 provided by Subsection (r), the chief appraiser may require a
2-30 person allowed one of the exemptions in a prior year to file a new
2-31 application to confirm the person's current qualification for the
2-32 exemption by delivering a written notice that a new application is
2-33 required, accompanied by an appropriate application form, to the
2-34 person previously allowed the exemption. If the person previously
2-35 allowed the exemption is 65 years of age or older, the chief
2-36 appraiser may not cancel the exemption due to the person's failure
2-37 to file the new application unless the chief appraiser complies
2-38 with the requirements of Subsection (q), if applicable.

2-39 SECTION 3. This Act takes effect January 1, 2024.

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