

By: Zedler, et al.

H.B. No. 1278

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to an exemption from ad valorem taxation for property  
3 owned or used by a religious organization for purposes of expanding  
4 a religious facility or constructing a new religious facility and  
5 to municipal platting requirements and zoning regulations  
6 applicable to certain property owned or used by a religious  
7 organization.

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

9 SECTION 1. Section 211.003(b), Local Government Code, is  
10 amended to read as follows:

11 (b) In the case of designated places and areas of  
12 historical, cultural, or architectural importance and  
13 significance, the governing body of a municipality may regulate the  
14 construction, reconstruction, alteration, or razing of buildings  
15 and other structures, other than a building or other structure that  
16 is owned by a religious organization and is exempt from ad valorem  
17 taxation under Section 11.20, Tax Code.

18 SECTION 2. Subchapter A, Chapter 212, Local Government  
19 Code, is amended by adding Section 212.0047 to read as follows:

20 Sec. 212.0047. EXCEPTION TO PLAT REQUIREMENT: TAX-EXEMPT  
21 RELIGIOUS ORGANIZATION PROPERTY. (a) An owner of an unplatted  
22 tract of land that is exempt from ad valorem taxation under Section  
23 11.20, Tax Code, is not required to prepare a plat to obtain a  
24 building permit or any other permit for developing the tract.

1        (b) If the property loses its exemption from taxation under  
2 Section 11.20, Tax Code, the owner of the property must comply with  
3 all applicable platting requirements.

4        SECTION 3. Subchapter B, Chapter 212, Local Government  
5 Code, is amended by adding Section 212.0415 to read as follows:

6        Sec. 212.0415. APPLICATION OF SUBCHAPTER TO TAX-EXEMPT  
7 RELIGIOUS ORGANIZATION PROPERTY. This subchapter does not apply to  
8 an unplatted tract of land that is exempt from ad valorem taxation  
9 under Section 11.20, Tax Code. If the property loses its exemption  
10 from taxation under Section 11.20, Tax Code, this subchapter begins  
11 to apply to the property on the day after the date on which the  
12 exemption is lost.

13        SECTION 4. Section 12.002, Property Code, is amended by  
14 adding Subsection (h) to read as follows:

15        (h) Notwithstanding this section, a person may file for  
16 record or have recorded in the county clerk's office a plat if the  
17 plat is exempted from approval under Section 212.0047, Local  
18 Government Code. An unapproved plat must be stamped "unapproved  
19 plat" by the county clerk or a deputy of the clerk before it may be  
20 filed, and the clerk or deputy shall note on the plat that the  
21 property was exempt under Section 212.0047, Local Government Code.

22        SECTION 5. Section 11.20, Tax Code, is amended by amending  
23 Subsections (a) and (g) and adding Subsections (h) and (i) to read  
24 as follows:

25        (a) A person [~~An organization that qualifies as a religious~~  
26 ~~organization as provided by Subsection (c) of this section]~~ is  
27 entitled to an exemption from taxation of:

1           (1) the real property that is owned by the person  
2 ~~[religious organization]~~, is used primarily as a place of regular  
3 religious worship by an organization that qualifies as a religious  
4 organization as provided by Subsection (c), and is reasonably  
5 necessary for engaging in religious worship;

6           (2) the tangible personal property that is owned by  
7 the person ~~[religious organization]~~ and is reasonably necessary for  
8 engaging in worship at the place of worship specified in  
9 Subdivision (1) ~~[of this subsection]~~;

10          (3) if the person qualifies as a religious  
11 organization as provided by Subsection (c), the real property that  
12 is owned by the religious organization and is reasonably necessary  
13 for use as a residence (but not more than one acre of land for each  
14 residence) if the property:

15           (A) is used exclusively as a residence for those  
16 individuals whose principal occupation is to serve in the clergy of  
17 the religious organization; and

18           (B) produces no revenue for the religious  
19 organization;

20          (4) if the person qualifies as a religious  
21 organization as provided by Subsection (c), the tangible personal  
22 property that is owned by the religious organization and is  
23 reasonably necessary for use of the residence specified by  
24 Subdivision (3) ~~[of this subsection]~~; ~~and~~

25          (5) the real property owned by the person ~~[religious~~  
26 ~~organization]~~ consisting of:

27           (A) an incomplete improvement that is under

1 active construction or other physical preparation and that is  
2 designed and intended to be used by an organization that qualifies  
3 as a [the] religious organization as provided by Subsection (c) as a  
4 place of regular religious worship when complete; and

5 (B) the land on which the incomplete improvement  
6 is located that will be reasonably necessary for the religious  
7 organization's use of the improvement as a place of regular  
8 religious worship;

9 (6) the land that the religious organization owns for  
10 the purpose of expansion of the religious organization's place of  
11 regular religious worship or construction of a new place of regular  
12 religious worship if:

13 (A) the religious organization qualifies other  
14 property, including a portion of the same tract or parcel of land,  
15 owned by the organization for an exemption under Subsection (a)(1)  
16 or (5); and

17 (B) the land produces no revenue for the  
18 religious organization; and

19 (7) the real property that is owned by the religious  
20 organization if the real property is leased to another person and is  
21 used by that person for the operation of a school that qualifies as  
22 a school under Section 11.21(d).

23 (g) For purposes of Subsection (a)(5), an incomplete  
24 improvement is under physical preparation if the person [~~religious~~  
25 ~~organization~~] has engaged in architectural or engineering work,  
26 soil testing, land clearing activities, or site improvement work  
27 necessary for the construction of the improvement or has conducted

1 an environmental or land use study relating to the construction of  
2 the improvement.

3 (h) A tract of land that is not contiguous to the tract of  
4 land on which the religious organization's place of regular  
5 religious worship is located may not be exempted under Subsection  
6 (a)(6) for more than three years. For purposes of this subsection,  
7 a tract of land is considered to be contiguous with another tract of  
8 land if the tracts are divided only by a road, railroad track,  
9 river, or stream.

10 (i) For purposes of Subsection (a)(6), an application or  
11 statement accompanying an application for the exemption stating  
12 that the land is owned for the purposes described by Subsection  
13 (a)(6) and signed by an authorized officer of the organization is  
14 sufficient to establish that the land is owned for those purposes.

15 SECTION 6. Subchapter B, Chapter 11, Tax Code, is amended by  
16 adding Section 11.201 to read as follows:

17 Sec. 11.201. ADDITIONAL TAX ON SALE OF CERTAIN RELIGIOUS  
18 ORGANIZATION PROPERTY. (a) If land is sold or otherwise  
19 transferred to another person in a year in which the land receives  
20 an exemption under Section 11.20(a)(6), an additional tax is  
21 imposed on the land equal to the tax that would have been imposed on  
22 the land had the land been taxed for each of the five years  
23 preceding the year in which the sale or transfer occurs in which the  
24 land received an exemption under that subsection, plus interest at  
25 an annual rate of seven percent calculated from the dates on which  
26 the taxes would have become due.

27 (b) A tax lien attaches to the land on the date the sale or

1 transfer occurs to secure payment of the tax and interest imposed by  
2 this section and any penalties incurred. The lien exists in favor  
3 of all taxing units for which the tax is imposed.

4 (c) If only part of a parcel of land that is exempted under  
5 Section 11.20(a)(6) is sold or transferred, the tax applies only to  
6 that part of the parcel and equals the taxes that would have been  
7 imposed had that part been taxed.

8 (d) The assessor for each taxing unit shall prepare and  
9 deliver a bill for the additional taxes plus interest as soon as  
10 practicable after the sale or transfer occurs. The taxes and  
11 interest are due and become delinquent and incur penalties and  
12 interest as provided by law for ad valorem taxes imposed by the  
13 taxing unit if not paid before the next February 1 that is at least  
14 20 days after the date the bill is delivered to the owner of the  
15 land.

16 (e) The sanctions provided by Subsection (a) do not apply if  
17 the sale or transfer occurs as a result of:

18 (1) a sale for right-of-way;

19 (2) a condemnation;

20 (3) a transfer of property to the state or a political  
21 subdivision of the state to be used for a public purpose; or

22 (4) a transfer of property to a religious organization  
23 that qualifies the property for an exemption under Section 11.20  
24 for the tax year in which the transfer occurs.

25 SECTION 7. (a) Section 1 of this Act takes effect  
26 immediately if this Act receives a vote of two-thirds of all the  
27 members elected to each house, as provided by Section 39, Article

1 III, Texas Constitution. If this Act does not receive the vote  
2 necessary for immediate effect, Section 1 of this Act takes effect  
3 September 1, 2003.

4 (b) Sections 2-4 of this Act take effect September 1, 2003.

5 (c) Sections 11.20(a)(1)-(5) and (g), Tax Code, as amended  
6 by this Act, take effect January 1, 2004, and apply only to ad  
7 valorem taxes imposed for a tax year that begins on or after that  
8 date.

9 (d) Sections 11.20(a)(6) and (7), (h), and (i), and Section  
10 11.201, Tax Code, as added by this Act, take effect January 1, 2004,  
11 but only if the constitutional amendment proposed by the 78th  
12 Legislature, Regular Session, 2003, to authorize the legislature to  
13 exempt from ad valorem taxation property owned by a religious  
14 organization that is leased for use as a school or that is owned  
15 with the intent of expanding or constructing a religious facility  
16 is approved by the voters. If that amendment is not approved by the  
17 voters, Sections 11.20(a)(6) and (7), (h), and (i), and Section  
18 11.201, Tax Code, as added by this Act, have no effect.