

By: Hochberg

H.B. No. 2416

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an exemption from ad valorem taxation for property of  
3 certain nonprofit organizations while improvements are under  
4 construction.

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

6 SECTION 1. Effective September 1, 2003, Subsection  
7 11.18(m), Tax Code, is amended to read as follows:

8 (m) A property may not be exempted under Subsection (a)(2)  
9 for more than [~~three~~] six years.

10 SECTION 2. Effective December 31, 2006, Subsection  
11 11.18(m), Tax Code, is amended to read as follows:

12 (m) A property may not be exempted under Subsection (a)(2)  
13 for more than three years.

14 SECTION 3. Effective September 1, 2003, Subsection  
15 11.184(i), Tax Code, as added by Chapter 1040, Acts of the 77th  
16 Legislature, Regular Session, 2001, is amended to read as follows:

17 (i) A property may not be exempted under Subsection (c)(2)  
18 for more than [~~three~~] six years.

19 SECTION 4. Effective December 31, 2006, Subsection  
20 11.184(i), Tax Code, as added by Chapter 1040, Acts of the 77th  
21 Legislature, Regular Session, 2001, is amended to read as follows:

22 (i) A property may not be exempted under Subsection (c)(2)  
23 for more than three years.

24 SECTION 5. Effective September 1, 2003, Subsection

1 11.19(e), Tax Code, is amended to read as follows:

2 (e) A property may not be exempted under Subsection (a)(2)  
3 for more than [~~three~~] six years.

4 SECTION 6. Effective December 31, 2006, Subsection  
5 11.19(e), Tax Code, is amended to read as follows:

6 (e) A property may not be exempted under Subsection (a)(2)  
7 for more than three years.

8 SECTION 7. Effective September 1, 2003, Subsection  
9 11.20(f), Tax Code, is amended to read as follows:

10 (f) A property may not be exempted under Subsection (a)(5)  
11 for more than [~~three~~] six years.

12 SECTION 8. Effective December 31, 2006, Subsection  
13 11.20(f), Tax Code, is amended to read as follows:

14 (f) A property may not be exempted under Subsection (a)(5)  
15 for more than three years.

16 SECTION 9. Effective September 1, 2003, Subsection  
17 11.21(g), Tax Code, is amended to read as follows:

18 (g) A property may not be exempted under Subsection (a)(2)  
19 for more than [~~three~~] six years.

20 SECTION 10. Effective December 31, 2006, Subsection  
21 11.21(g), Tax Code, is amended to read as follows:

22 (g) A property may not be exempted under Subsection (a)(2)  
23 for more than three years.

24 SECTION 11. Effective September 1, 2003, Subsection  
25 11.23(l), Tax Code, is amended to read as follows:

26 (l) Incomplete Improvements. A person described by  
27 Subsection (a)-(e), (g), or (i)-(k) is entitled to an exemption

1 from taxation of the real property owned by the person consisting of  
2 an incomplete improvement that is under active construction or  
3 other physical preparation and that is designed and intended to be  
4 used by the person for a purpose described by that subsection when  
5 complete and the land on which the incomplete improvement is  
6 located that will be reasonably necessary for the person's use of  
7 the improvement for that purpose. A property may not be exempted  
8 under this subsection for more than [~~three~~] six years. For purposes  
9 of this subsection, an incomplete improvement is under physical  
10 preparation if the person has:

11 SECTION 12. Effective December 31, 2006, Subsection  
12 11.23(1), Tax Code, is amended to read as follows:

13 (1) Incomplete Improvements. A person described by  
14 Subsection (a)-(e), (g), or (i)-(k) is entitled to an exemption  
15 from taxation of the real property owned by the person consisting of  
16 an incomplete improvement that is under active construction or  
17 other physical preparation and that is designed and intended to be  
18 used by the person for a purpose described by that subsection when  
19 complete and the land on which the incomplete improvement is  
20 located that will be reasonably necessary for the person's use of  
21 the improvement for that purpose. A property may not be exempted  
22 under this subsection for more than three years. For purposes of  
23 this subsection, an incomplete improvement is under physical  
24 preparation if the person has:

25 SECTION 13. Effective September 1, 2003, Subsection  
26 11.30(b), Tax Code, is amended to read as follows:

27 (b) A property may not be exempted under Subsection (a)(2)

1 for more than [~~three~~] six years.

2 SECTION 14. Effective December 31, 2006, Subsection  
3 11.30(b), Tax Code, is amended to read as follows:

4 (b) A property may not be exempted under Subsection (a)(2)  
5 for more than three years.

6 SECTION 15. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2003.