

By: Janek

S.B. No. 684

A BILL TO BE ENTITLED

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AN ACT

relating to an exemption from ad valorem taxation of property owned by the state or a political subdivision.

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

SECTION 1. Subsection (d), Section 11.11, Tax Code, is amended to read as follows:

(d) Property owned by the state that is not used for public purposes is taxable. Property owned by a state agency, ~~[or]~~ institution, or political subdivision is not used for public purposes if the property is rented or leased for compensation to a private business enterprise to be used by it for a purpose not related to the performance of the duties and functions of the state agency or institution or used to provide private residential housing for compensation to members of the public other than students and employees of the state agency or institution owning the property, unless the residential use is secondary to its use by an educational institution primarily for instructional purposes. If property owned by a state agency, institution, or political subdivision that is being used for public purposes is leased to an organization which uses the property in a manner to qualify for an exemption under Section 11.18 or 11.20, the property shall remain tax-exempt. Any notice required by Section 25.19 ~~[of this code]~~ shall be sent to the agency or institution that owns the property, and it shall appear in behalf of the state in any protest or appeal

1 related to taxation of the property.

2 SECTION 2. This Act takes effect immediately if it receives
3 a vote of two-thirds of all members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2003.