

1-1 By: Janek S.B. No. 1543
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Finance; April 28, 2003,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 13, Nays 0; April 28, 2003, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1543 By: Janek

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the eligibility for exemption from ad valorem taxation
1-10 of public property used for certain religious purposes.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 11.20, Tax Code, is amended by amending
1-13 Subsection (d) and adding Subsections (h) and (i) to read as
1-14 follows:

1-15 (d) Use of property that qualifies for the exemption
1-16 prescribed by Subsection (a)(1) [~~Subdivision (1)~~] or (2) or by
1-17 Subsection (h)(1) [of Subsection (a) of this section] for
1-18 occasional secular purposes other than religious worship does not
1-19 result in loss of the exemption if the primary use of the property
1-20 is for religious worship and all income from the other use is
1-21 devoted exclusively to the maintenance and development of the
1-22 property as a place of religious worship.

1-23 (h) Property owned by this state or a political subdivision
1-24 of this state, including a leasehold or other possessory interest
1-25 in the property, that is held or occupied by an organization that
1-26 qualifies as a religious organization as provided by Subsection (c)
1-27 is entitled to an exemption from taxation if the property:

1-28 (1) is used by the organization primarily as a place of
1-29 regular religious worship and is reasonably necessary for engaging
1-30 in religious worship; or

1-31 (2) meets the qualifications for an exemption under
1-32 Subsection (a)(5).

1-33 (i) For purposes of the exemption provided by Subsection
1-34 (h), the religious organization may apply for the exemption and
1-35 take other action relating to the exemption as if the organization
1-36 owned the property.

1-37 SECTION 2. This Act takes effect January 1, 2004, and
1-38 applies only to an ad valorem tax year that begins on or after that
1-39 date.

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