

By: Hinojosa

S.B. No. 1773

A BILL TO BE ENTITLED

AN ACT

relating to exempting certain local nonprofit organizations from ad valorem taxation.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.1841 to read as follows:

Sec. 11.1841. PROPERTY OF LOCAL NONPROFIT ORGANIZATION.

(a) Real property owned by a local nonprofit organization is exempt from taxation.

(b) In this section, "local nonprofit organization" means an organization that:

(1) qualifies as an organization exempt from federal income taxes under Section 501(c)(3), Internal Revenue Code of 1986, as amended;

(2) meets the requirements of a charitable organization under Section 11.18; and

(3) qualifies for an exemption from the franchise tax under Chapter 171.

SECTION 2. Subsection (a), Section 11.43, Tax Code, is amended to read as follows:

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.145, 11.146, 11.15, 11.16, 11.161, 11.1841, or 11.25 of this code, must apply for the exemption. To apply for an

1 exemption, a person must file an exemption application form with
2 the chief appraiser for each appraisal district in which the
3 property subject to the claimed exemption has situs.

4 SECTION 3. (a) This Act takes effect September 1, 2003.

5 (b) A local nonprofit organization may not receive an
6 exemption under Section 11.1841, Tax Code, as added by this Act,
7 before the tax year that begins January 1, 2004.

8 (c) The change in law made by this Act does not affect tax
9 liability accruing before the effective date of this Act. That
10 liability continues in effect as if this Act had not been enacted,
11 and the former law is continued in effect for the collection of
12 taxes due and for civil and criminal enforcement of the liability
13 for those taxes.