

## BILL ANALYSIS

Senate Research Center  
79R11673 MFC-F

H.B. 726  
By: Berman (Deuell)  
Finance  
5/16/2005  
Engrossed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Smith County Peace Officers Association (SCPOA), a non-profit organization, built a training facility to benefit the surrounding area. All funds, land, and labor for this training facility, serving all of northeast Texas, were donated. The largest donors for this facility were the City of Tyler and Smith County. The facility is strictly a training facility and does not charge for any courses provided.

The courses taught at the facility, prescribed and designed by the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE), are required of Texas law enforcement officers. All the instructors at the facility teach the courses on a voluntary basis and do not receive financial compensation. Income to the facility comes from donations and association dues and is used solely for maintenance and care of the facility.

Currently, properties used for public purposes such as schools and places of worship are exempt from ad valorem taxation. H.B. 726 allows local governing bodies to exempt from ad valorem properties owned by certain law enforcement officer associations, such as the SCPOA training facility.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.235, as follows:

Sec. 11.235. LAW ENFORCEMENT OFFICER ASSOCIATIONS. (a) Provides that this section applies only to property located in a county with a population of less than 250,000.

(b) Prohibits an exemption under this section from being granted unless the exemption is adopted by the governing body of the taxing unit.

(c) Entitles an association that qualifies as a law enforcement officer association, if the exemption is adopted by a taxing unit under Subsection (b), to an exemption from taxation by the taxing unit of the real and tangible personal property that is owned by the association, and except as provided by Subsection (d), is used exclusively by qualified law enforcement officer associations.

(d) Provides that use of exempt property owned by a person who is not qualified as a law enforcement officer association under this section does not result in the loss of an exemption authorized by this section if the use is incidental to use of the property by qualified law enforcement officer associations and is limited to activities that benefit the beneficiaries or members of the qualified law enforcement officer associations that own or use the property.

(e) Sets forth the qualifications of a law enforcement officer association under this section.

SECTION 2. Amends Section 11.42(d), Tax Code, to authorize a person who acquires property after January 1 of a tax year to receive an exemption authorized by Section 11.235, in addition to exemptions already authorized by other sections, for the applicable portion of that tax year immediately on qualification for the exemption.

SECTION 3. Amends Section 11.43(c), Tax Code, to make a conforming change.

SECTION 4. Amends Subchapter C, Chapter 11, Tax Code, by adding Section 11.4351, as follows:

Sec. 11.4351. APPLICATION FOR LAW ENFORCEMENT OFFICER ASSOCIATION EXEMPTION FOR PRIOR YEAR. (a) Authorizes the governing body of a taxing unit, not later than January 1, 2007, to adopt the exemption provided by Section 11.235 to apply to taxes imposed by the taxing unit for a tax year after the 2000 tax year and before the 2006 tax year. Authorizes a law enforcement officer association, not later than January 1, 2008, for any of those tax years for which a taxing unit has adopted the exemption, to apply for an exemption from taxation by the taxing unit under Section 11.235. Provides that the filing deadline provided by Section 11.43 does not apply to an application filed under this section.

(b) Prohibits the chief appraiser from approving an application for an exemption filed under this section if the taxes imposed by the taxing unit on the property for the year for which the exemption is claimed are paid before the application is filed.

(c) Requires the chief appraiser, if an application is approved under this section after approval of the appraisal records for the tax year for which the exemption is granted, to notify the collector for each taxing unit in which the property was taxable in the tax year for which the exemption is granted that has adopted the exemption for that tax year. Requires the collector to deduct from the organization's tax bill the amount of tax imposed on the property by the taxing unit for that tax year if the tax has not been paid and any unpaid penalties and accrued interest relating to that tax. Prohibits the collector from refunding taxes, penalties, or interest paid on the property for which an exemption is granted under this section.

(d) Requires the chief appraiser to grant an exemption for property pursuant to an application filed under this section if the property meets certain qualifications.

(e) Provides that Sections 11.43(c) and (e) do not apply to an application filed under this section. Requires a separate application to be filed for each tax year under this section.

(f) Provides that this section expires January 1, 2009.

SECTION 5. Makes application of this Act retroactive to January 1, 2001.

SECTION 6. Effective date: January 1, 2006.

Makes application of this Act contingent on the passage of the constitutional amendment proposed by the 79th Legislature, Regular Session, 2005, authorizing the legislature to permit the governing body of a political subdivision to exempt from ad valorem taxation property owned by certain nonprofit law enforcement officer associations.