

By: Berman

H.B. No. 726

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption from ad valorem taxation of property
3 owned by certain law enforcement officer associations.

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

5 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
6 adding Section 11.235 to read as follows:

7 Sec. 11.235. LAW ENFORCEMENT OFFICER ASSOCIATIONS. (a)
8 This section applies only to property located in a county with a
9 population of less than 250,000.

10 (b) An exemption under this section may not be granted
11 unless the exemption is adopted by the governing body of the taxing
12 unit.

13 (c) If the exemption is adopted by a taxing unit under
14 Subsection (b), an association that qualifies as a law enforcement
15 officer association is entitled to an exemption from taxation by
16 the taxing unit of the real and tangible personal property that:

17 (1) is owned by the association; and

18 (2) except as provided by Subsection (d), is used
19 exclusively by qualified law enforcement officer associations.

20 (d) Use of exempt property owned by a person who is not
21 qualified as a law enforcement officer association under this
22 section does not result in the loss of an exemption authorized by
23 this section if the use is incidental to use of the property by
24 qualified law enforcement officer associations and is limited to

1 activities that benefit the beneficiaries or members of the
2 qualified law enforcement officer associations that own or use the
3 property.

4 (e) To qualify as a law enforcement officer association
5 under this section, an association must:

6 (1) be organized and operated primarily to engage in
7 one or both of the following functions:

8 (A) providing assistance with medical care costs
9 to peace officers and their families or dependents, including
10 surviving family members or dependents of deceased peace officers,
11 without regard to the beneficiaries' ability to pay; or

12 (B) providing support and relief to the
13 dependents, spouses, or children of peace officers, including
14 surviving dependents, spouses, or children of deceased peace
15 officers; and

16 (2) meet the requirements of a charitable organization
17 provided by Sections 11.18(e) and (f).

18 SECTION 2. Section 11.42(d), Tax Code, is amended to read as
19 follows:

20 (d) A person who acquires property after January 1 of a tax
21 year may receive an exemption authorized by Section 11.17, 11.18,
22 11.19, 11.20, 11.21, 11.23, 11.235, or 11.30 for the applicable
23 portion of that tax year immediately on qualification for the
24 exemption.

25 SECTION 3. Section 11.43(c), Tax Code, is amended to read as
26 follows:

27 (c) An exemption provided by Section 11.13, 11.17, 11.18,

1 11.182, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or
2 (j-1), 11.235, 11.29, 11.30, or 11.31, once allowed, need not be
3 claimed in subsequent years, and except as otherwise provided by
4 Subsection (e), the exemption applies to the property until it
5 changes ownership or the person's qualification for the exemption
6 changes. However, the chief appraiser may require a person allowed
7 one of the exemptions in a prior year to file a new application to
8 confirm the person's current qualification for the exemption by
9 delivering a written notice that a new application is required,
10 accompanied by an appropriate application form, to the person
11 previously allowed the exemption.

12 SECTION 4. Subchapter C, Chapter 11, Tax Code, is amended by
13 adding Section 11.4351 to read as follows:

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

25 (b) The chief appraiser may not approve an application for
26 an exemption filed under this section if the taxes imposed by the
27 taxing unit on the property for the year for which the exemption is

1 claimed are paid before the application is filed.

2 (c) If an application is approved under this section after
3 approval of the appraisal records for the tax year for which the
4 exemption is granted, the chief appraiser shall notify the
5 collector for each taxing unit in which the property was taxable in
6 the tax year for which the exemption is granted that has adopted the
7 exemption for that tax year. The collector shall deduct from the
8 organization's tax bill the amount of tax imposed on the property by
9 the taxing unit for that tax year if the tax has not been paid and
10 any unpaid penalties and accrued interest relating to that tax. The
11 collector may not refund taxes, penalties, or interest paid on the
12 property for which an exemption is granted under this section.

13 (d) The chief appraiser shall grant an exemption for
14 property pursuant to an application filed under this section if the
15 property would have qualified for the exemption in the tax year for
16 which the exemption is claimed under Section 11.235, as that
17 section existed on January 1, 2006, if that section had been in
18 effect in the tax year for which the exemption is claimed and if the
19 taxing unit has adopted the exemption for that tax year.

20 (e) Sections 11.43(c) and (e) do not apply to an application
21 filed under this section. A separate application must be filed for
22 each tax year under this section.

23 (f) This section expires January 1, 2009.

24 SECTION 5. This Act applies to taxes imposed for a tax year
25 that begins on or after January 1, 2001.

26 SECTION 6. This Act takes effect January 1, 2006, but only
27 if the constitutional amendment proposed by the 79th Legislature,

1 Regular Session, 2005, authorizing the legislature to permit the
2 governing body of a political subdivision to exempt from ad valorem
3 taxation property owned by certain nonprofit law enforcement
4 officer associations is approved by the voters. If that amendment
5 is not approved by the voters, this Act has no effect.