

By: Zedler, Veasey

H.B. No. 1606

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the exemption from ad valorem taxation for property
3 owned by a religious organization for purposes of expanding a
4 religious facility or constructing a new religious facility.

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

6 SECTION 1. Section 11.20(j), Tax Code, is amended to read as
7 follows:

8 (j) A tract of land that is contiguous to the tract of land
9 on which the religious organization's place of regular religious
10 worship is located may not be exempted under Subsection (a)(6) for
11 more than 15 [~~six~~] years if the tract of land does not exceed three
12 acres or for more than 10 years if the tract of land exceeds three
13 acres. A tract of land that is not contiguous to the tract of land
14 on which the religious organization's place of regular religious
15 worship is located may not be exempted under Subsection (a)(6) for
16 more than five [~~three~~] years. For purposes of this subsection, a
17 tract of land is considered to be contiguous with another tract of
18 land if the tracts are divided only by a road, railroad track,
19 river, or stream.

20 SECTION 2. Sections 11.201(a) and (e), Tax Code, are
21 amended to read as follows:

22 (a) If land is sold or otherwise transferred to another
23 person in a year in which the land receives an exemption under
24 Section 11.20(a)(6), an additional tax is imposed on the land equal

1 to the tax that would have been imposed on the land had the land been
2 taxed for each of the seven [~~five~~] years preceding the year in which
3 the sale or transfer occurs in which the land received an exemption
4 under that subsection, plus interest at an annual rate of seven
5 percent calculated from the dates on which the taxes would have
6 become due.

7 (e) The sanctions provided by Subsection (a) do not apply if
8 the sale or transfer occurs as a result of:

9 (1) a sale for right-of-way;

10 (2) a condemnation;

11 (3) a transfer of property to the state or a political
12 subdivision of the state to be used for a public purpose; [~~or~~]

13 (4) a transfer of property to a religious organization
14 that qualifies the property for an exemption under Section 11.20
15 for the tax year in which the transfer occurs; or

16 (5) a transfer of property to an educational,
17 religious, charitable, or other similar organization that is
18 qualified as a charitable organization under Section 501(c)(3),
19 Internal Revenue Code of 1986.

20 SECTION 3. This Act applies only to ad valorem taxes imposed
21 for a tax year beginning on or after the effective date of this Act.

22 SECTION 4. This Act takes effect January 1, 2008.