

By: Hughes

H.B. No. 2496

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation for certain organizations engaged primarily in performing charitable functions.

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

SECTION 1. Section 11.184(c), Tax Code, is amended to read as follows:

(c) If approved under Subsection (b), a qualified charitable organization is entitled to an exemption from taxation of:

(1) the buildings and other real property and the tangible personal property that:

(A) are owned by the organization or a 501(c)(2), Internal Revenue Code, corporation holding title for the organization; and

(B) except as permitted by Subsection (d), are used exclusively by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18; and

(2) the real property owned by the organization or a 501(c)(2), Internal Revenue Code, corporation holding title for the organization consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other

1 physical preparation; and

2 (ii) is designed and intended to be used
3 exclusively by the organization and other organizations eligible
4 for an exemption from taxation under this section or Section 11.18;
5 and

6 (B) the land on which the incomplete improvement
7 is located that will be reasonably necessary for the use of the
8 improvement by the organization and other organizations eligible
9 for an exemption from taxation under this section or Section 11.18.

10 SECTION 2. This Act takes effect September 1, 2007.