

By: Chisum

H.B. No. 3012

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the requirement that the exemption from ad valorem
3 taxation of property owned by an organization engaged primarily in
4 performing charitable functions be adopted by the governing body of
5 a taxing unit or at an election held in the taxing unit.

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

7 SECTION 1. Section § 11.184, Tax Code, is amended to read as
8 follows

9 (a) In this section:

10 (1) "Local charitable organization" means an
11 organization that:

12 (A) is a chapter, subsidiary, or branch of a
13 statewide charitable organization; and

14 (B) with respect to its activities in this state,
15 is engaged primarily in performing functions listed in Section
16 11.18(d).

17 (2) "Qualified charitable organization" means a
18 statewide charitable organization or a local charitable
19 organization.

20 (3) "Statewide charitable organization" means a
21 statewide organization that, with respect to its activities in this
22 state, is engaged primarily in performing functions listed in
23 Section 11.18(d).

24 ~~(b) An exemption under this section may not be granted~~

1 ~~unless the exemption is adopted either:~~

2 ~~(1) by the governing body of the taxing unit; or~~

3 ~~(2) by a favorable vote of a majority of the qualified~~
4 ~~voters of the taxing unit at an election called by the governing~~
5 ~~body of a taxing unit, and the governing body shall call the~~
6 ~~election on the petition of at least 20 percent of the number of~~
7 ~~qualified voters who voted in the preceding election of the taxing~~
8 ~~unit.~~

9 ~~(c) If approved under Subsection~~

10 (b), a qualified charitable organization is entitled to an
11 exemption from taxation of:

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

14 (A) are owned by the organization; and

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

19 (2) the real property owned by the organization
20 consisting of:

21 (A) an incomplete improvement that:

22 (i) is under active construction or other
23 physical preparation; and

24 (ii) is designed and intended to be used
25 exclusively by the organization and other organizations eligible
26 for an exemption from taxation under this section or Section 11.18;
27 and

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

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