

By: Naishtat

H.B. No. 589

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exemption from ad valorem taxation of property used  
3 by a charitable organization operating certain radio stations.

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

5 SECTION 1. Section 11.18(d), Tax Code, as amended by  
6 Chapters 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of the 80th  
7 Legislature, Regular Session, 2007, is reenacted and amended to  
8 read as follows:

9 (d) A charitable organization must be organized exclusively  
10 to perform religious, charitable, scientific, literary, or  
11 educational purposes and, except as permitted by Subsections (h)  
12 and (l), engage exclusively in performing one or more of the  
13 following charitable functions:

14 (1) providing medical care without regard to the  
15 beneficiaries' ability to pay, which in the case of a nonprofit  
16 hospital or hospital system means providing charity care and  
17 community benefits in accordance with Section 11.1801;

18 (2) providing support or relief to orphans,  
19 delinquent, dependent, or handicapped children in need of  
20 residential care, abused or battered spouses or children in need of  
21 temporary shelter, the impoverished, or victims of natural disaster  
22 without regard to the beneficiaries' ability to pay;

23 (3) providing support to elderly persons, including  
24 the provision of recreational or social activities and facilities

1 designed to address the special needs of elderly persons, or to the  
2 handicapped, without regard to the beneficiaries' ability to pay;

3 (4) preserving a historical landmark or site;

4 (5) promoting or operating a museum, zoo, library,  
5 theater of the dramatic or performing arts, or symphony orchestra  
6 or choir;

7 (6) promoting or providing humane treatment of  
8 animals;

9 (7) acquiring, storing, transporting, selling, or  
10 distributing water for public use;

11 (8) answering fire alarms and extinguishing fires with  
12 no compensation or only nominal compensation to the members of the  
13 organization;

14 (9) promoting the athletic development of boys or  
15 girls under the age of 18 years;

16 (10) preserving or conserving wildlife;

17 (11) promoting educational development through loans  
18 or scholarships to students;

19 (12) providing halfway house services pursuant to a  
20 certification as a halfway house by the parole [~~pardons and~~  
21 ~~paroles~~] division of the Texas Department of Criminal Justice;

22 (13) providing permanent housing and related social,  
23 health care, and educational facilities for persons who are 62  
24 years of age or older without regard to the residents' ability to  
25 pay;

26 (14) promoting or operating an art gallery, museum, or  
27 collection, in a permanent location or on tour, that is open to the

1 public;

2           (15) providing for the organized solicitation and  
3 collection for distributions through gifts, grants, and agreements  
4 to nonprofit charitable, education, religious, and youth  
5 organizations that provide direct human, health, and welfare  
6 services;

7           (16) performing biomedical or scientific research or  
8 biomedical or scientific education for the benefit of the public;

9           (17) operating a television station that produces or  
10 broadcasts educational, cultural, or other public interest  
11 programming and that receives grants from the Corporation for  
12 Public Broadcasting under 47 U.S.C. Section 396, as amended;

13           (18) providing housing for low-income and  
14 moderate-income families, for unmarried individuals 62 years of age  
15 or older, for handicapped individuals, and for families displaced  
16 by urban renewal, through the use of trust assets that are  
17 irrevocably and, pursuant to a contract entered into before  
18 December 31, 1972, contractually dedicated on the sale or  
19 disposition of the housing to a charitable organization that  
20 performs charitable functions described by Subdivision (9);

21           (19) providing housing and related services to persons  
22 who are 62 years of age or older in a retirement community, if the  
23 retirement community provides independent living services,  
24 assisted living services, and nursing services to its residents on  
25 a single campus:

26                   (A) without regard to the residents' ability to  
27 pay; or

1 (B) in which at least four percent of the  
2 retirement community's combined net resident revenue is provided in  
3 charitable care to its residents;

4 (20) providing housing on a cooperative basis to  
5 students of an institution of higher education if:

6 (A) the organization is exempt from federal  
7 income taxation under Section 501(a), Internal Revenue Code of  
8 1986, as amended, by being listed as an exempt entity under Section  
9 501(c)(3) of that code;

10 (B) membership in the organization is open to all  
11 students enrolled in the institution and is not limited to those  
12 chosen by current members of the organization;

13 (C) the organization is governed by its members;  
14 and

15 (D) the members of the organization share the  
16 responsibility for managing the housing;

17 (21) acquiring, holding, and transferring unimproved  
18 real property under an urban land bank demonstration program  
19 established under Chapter 379C, Local Government Code, as or on  
20 behalf of a land bank; ~~[or]~~

21 (22) acquiring, holding, and transferring unimproved  
22 real property under an urban land bank program established under  
23 Chapter 379E, Local Government Code, as or on behalf of a land bank;  
24 or

25 (23) operating a radio station that broadcasts  
26 educational, cultural, or other public interest programming,  
27 including classical music, and that in the preceding five years has

1 received or been selected to receive one or more grants from the  
2 Corporation for Public Broadcasting under 47 U.S.C. Section 396, as  
3 amended.

4 SECTION 2. Section 11.18(o), Tax Code, as added by Chapters  
5 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of the 80th Legislature,  
6 Regular Session, 2007, is reenacted and amended to read as follows:

7 (o) For purposes of Subsection (a)(2), real property  
8 acquired, held, and transferred by an organization that performs  
9 the function described by Subsection (d)(21) or (22) is considered  
10 to be used exclusively by the qualified charitable organization to  
11 perform that function.

12 SECTION 3. This Act applies only to an ad valorem tax year  
13 that begins on or after the effective date of this Act.

14 SECTION 4. This Act takes effect January 1, 2010.