

By: Rodriguez, Leibowitz

H.B. No. 2628

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an exemption from ad valorem taxation of certain  
3 property owned by a charitable organization and used in providing  
4 housing and related services to certain individuals.

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

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

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

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

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

24 (3) providing support to elderly persons, including

1 the provision of recreational or social activities and facilities  
2 designed to address the special needs of elderly persons, or to the  
3 handicapped, without regard to the beneficiaries' ability to pay;

4 (4) preserving a historical landmark or site;

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

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

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

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

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

17 (10) preserving or conserving wildlife;

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

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

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

27 (14) promoting or operating an art gallery, museum, or

1 collection, in a permanent location or on tour, that is open to the  
2 public;

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

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

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

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

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

27 (A) without regard to the residents' ability to

1 pay; or

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

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

7 (A) the organization is exempt from federal  
8 income taxation under Section 501(a), Internal Revenue Code of  
9 1986, as amended, by being listed as an exempt entity under Section  
10 501(c)(3) of that code;

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

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

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

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

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

26 (23) providing housing and related services to  
27 individuals who:

1           (A) are unaccompanied and homeless and have a  
2 disabling condition; and

3           (B) have been continuously homeless for a year or  
4 more or have had at least four episodes of homelessness in the  
5 preceding three years.

6           SECTION 2. Section 11.18, Tax Code, is amended by adding  
7 Subsection (p) to read as follows:

8           (p) The exemption authorized by Subsection (d)(23) applies  
9 only to improvements that:

10           (1) are owned by a charitable organization that has  
11 been in existence for at least 10 years;

12           (2) are used to provide housing and related services  
13 to individuals described by that subsection; and

14           (3) are located on a single campus owned by a  
15 municipality with a population of more than 600,000 and less than  
16 700,000.

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

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