

1-1 By: Rodriguez, Leibowitz (Senate Sponsor - Watson) H.B. No. 2628  
1-2 (In the Senate - Received from the House May 6, 2009;  
1-3 May 7, 2009, read first time and referred to Committee on Finance;  
1-4 May 15, 2009, reported favorably by the following vote: Yeas 10,  
1-5 Nays 0; May 15, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to an exemption from ad valorem taxation of certain  
1-9 property owned by a charitable organization and used in providing  
1-10 housing and related services to certain individuals.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 11.18(d), Tax Code, as amended by  
1-13 Chapters 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of the 80th  
1-14 Legislature, Regular Session, 2007, is reenacted and amended to  
1-15 read as follows:

1-16 (d) A charitable organization must be organized exclusively  
1-17 to perform religious, charitable, scientific, literary, or  
1-18 educational purposes and, except as permitted by Subsections (h)  
1-19 and (l), engage exclusively in performing one or more of the  
1-20 following charitable functions:

1-21 (1) providing medical care without regard to the  
1-22 beneficiaries' ability to pay, which in the case of a nonprofit  
1-23 hospital or hospital system means providing charity care and  
1-24 community benefits in accordance with Section 11.1801;

1-25 (2) providing support or relief to orphans,  
1-26 delinquent, dependent, or handicapped children in need of  
1-27 residential care, abused or battered spouses or children in need of  
1-28 temporary shelter, the impoverished, or victims of natural disaster  
1-29 without regard to the beneficiaries' ability to pay;

1-30 (3) providing support to elderly persons, including  
1-31 the provision of recreational or social activities and facilities  
1-32 designed to address the special needs of elderly persons, or to the  
1-33 handicapped, without regard to the beneficiaries' ability to pay;

1-34 (4) preserving a historical landmark or site;

1-35 (5) promoting or operating a museum, zoo, library,  
1-36 theater of the dramatic or performing arts, or symphony orchestra  
1-37 or choir;

1-38 (6) promoting or providing humane treatment of  
1-39 animals;

1-40 (7) acquiring, storing, transporting, selling, or  
1-41 distributing water for public use;

1-42 (8) answering fire alarms and extinguishing fires with  
1-43 no compensation or only nominal compensation to the members of the  
1-44 organization;

1-45 (9) promoting the athletic development of boys or  
1-46 girls under the age of 18 years;

1-47 (10) preserving or conserving wildlife;

1-48 (11) promoting educational development through loans  
1-49 or scholarships to students;

1-50 (12) providing halfway house services pursuant to a  
1-51 certification as a halfway house by the parole [~~pardons and~~  
1-52 ~~paroles~~] division of the Texas Department of Criminal Justice;

1-53 (13) providing permanent housing and related social,  
1-54 health care, and educational facilities for persons who are 62  
1-55 years of age or older without regard to the residents' ability to  
1-56 pay;

1-57 (14) promoting or operating an art gallery, museum, or  
1-58 collection, in a permanent location or on tour, that is open to the  
1-59 public;

1-60 (15) providing for the organized solicitation and  
1-61 collection for distributions through gifts, grants, and agreements  
1-62 to nonprofit charitable, education, religious, and youth  
1-63 organizations that provide direct human, health, and welfare  
1-64 services;

2-1 (16) performing biomedical or scientific research or  
2-2 biomedical or scientific education for the benefit of the public;

2-3 (17) operating a television station that produces or  
2-4 broadcasts educational, cultural, or other public interest  
2-5 programming and that receives grants from the Corporation for  
2-6 Public Broadcasting under 47 U.S.C. Section 396, as amended;

2-7 (18) providing housing for low-income and  
2-8 moderate-income families, for unmarried individuals 62 years of age  
2-9 or older, for handicapped individuals, and for families displaced  
2-10 by urban renewal, through the use of trust assets that are  
2-11 irrevocably and, pursuant to a contract entered into before  
2-12 December 31, 1972, contractually dedicated on the sale or  
2-13 disposition of the housing to a charitable organization that  
2-14 performs charitable functions described by Subdivision (9);

2-15 (19) providing housing and related services to persons  
2-16 who are 62 years of age or older in a retirement community, if the  
2-17 retirement community provides independent living services,  
2-18 assisted living services, and nursing services to its residents on  
2-19 a single campus:

2-20 (A) without regard to the residents' ability to  
2-21 pay; or

2-22 (B) in which at least four percent of the  
2-23 retirement community's combined net resident revenue is provided in  
2-24 charitable care to its residents;

2-25 (20) providing housing on a cooperative basis to  
2-26 students of an institution of higher education if:

2-27 (A) the organization is exempt from federal  
2-28 income taxation under Section 501(a), Internal Revenue Code of  
2-29 1986, as amended, by being listed as an exempt entity under Section  
2-30 501(c)(3) of that code;

2-31 (B) membership in the organization is open to all  
2-32 students enrolled in the institution and is not limited to those  
2-33 chosen by current members of the organization;

2-34 (C) the organization is governed by its members;  
2-35 and

2-36 (D) the members of the organization share the  
2-37 responsibility for managing the housing;

2-38 (21) acquiring, holding, and transferring unimproved  
2-39 real property under an urban land bank demonstration program  
2-40 established under Chapter 379C, Local Government Code, as or on  
2-41 behalf of a land bank; ~~or~~

2-42 (22) acquiring, holding, and transferring unimproved  
2-43 real property under an urban land bank program established under  
2-44 Chapter 379E, Local Government Code, as or on behalf of a land bank;  
2-45 or

2-46 (23) providing housing and related services to  
2-47 individuals who:

2-48 (A) are unaccompanied and homeless and have a  
2-49 disabling condition; and

2-50 (B) have been continuously homeless for a year or  
2-51 more or have had at least four episodes of homelessness in the  
2-52 preceding three years.

2-53 SECTION 2. Section 11.18, Tax Code, is amended by adding  
2-54 Subsection (p) to read as follows:

2-55 (p) The exemption authorized by Subsection (d)(23) applies  
2-56 only to improvements that:

2-57 (1) are owned by a charitable organization that has  
2-58 been in existence for at least 10 years;

2-59 (2) are used to provide housing and related services  
2-60 to individuals described by that subsection; and

2-61 (3) are located on a single campus owned by a  
2-62 municipality with a population of more than 600,000 and less than  
2-63 700,000.

2-64 SECTION 3. This Act applies only to an ad valorem tax year  
2-65 that begins on or after the effective date of this Act.

2-66 SECTION 4. This Act takes effect January 1, 2010.

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