

1-1 By: Uresti S.B. No. 2442
1-2 (In the Senate - Filed March 13, 2009; March 31, 2009, read
1-3 first time and referred to Committee on Finance; May 4, 2009,
1-4 reported favorably by the following vote: Yeas 12, Nays 0;
1-5 May 4, 2009, sent to printer.)

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

1-8 relating to the exemption from ad valorem taxation of property
1-9 owned by certain charitable organizations.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsection (d), Section 11.18, Tax Code, as
1-12 amended by Chapters 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of
1-13 the 80th Legislature, Regular Session, 2007, is reenacted and
1-14 amended to read as follows:

1-15 (d) A charitable organization must be organized exclusively
1-16 to perform religious, charitable, scientific, literary, or
1-17 educational purposes and, except as permitted by Subsections (h)
1-18 and (l), engage exclusively in performing one or more of the
1-19 following charitable functions:

1-20 (1) providing medical care without regard to the
1-21 beneficiaries' ability to pay, which in the case of a nonprofit
1-22 hospital or hospital system means providing charity care and
1-23 community benefits in accordance with Section 11.1801;

1-24 (2) providing support or relief to orphans,
1-25 delinquent, dependent, or handicapped children in need of
1-26 residential care, abused or battered spouses or children in need of
1-27 temporary shelter, the impoverished, or victims of natural disaster
1-28 without regard to the beneficiaries' ability to pay;

1-29 (3) providing support without regard to the
1-30 beneficiaries' ability to pay to:

1-31 (A) elderly persons, including the provision of:
1-32 (i) recreational or social activities; and
1-33 (ii) facilities designed to address the
1-34 special needs of elderly persons; ~~or~~

1-35 (B) ~~to~~ the handicapped, including training and
1-36 employment:

1-37 (i) in the production of commodities; or
1-38 (ii) in the provision of services under 41
1-39 U.S.C. Sections 46-48c [without regard to the beneficiaries'
1-40 ability to pay];

1-41 (4) preserving a historical landmark or site;

1-42 (5) promoting or operating a museum, zoo, library,
1-43 theater of the dramatic or performing arts, or symphony orchestra
1-44 or choir;

1-45 (6) promoting or providing humane treatment of
1-46 animals;

1-47 (7) acquiring, storing, transporting, selling, or
1-48 distributing water for public use;

1-49 (8) answering fire alarms and extinguishing fires with
1-50 no compensation or only nominal compensation to the members of the
1-51 organization;

1-52 (9) promoting the athletic development of boys or
1-53 girls under the age of 18 years;

1-54 (10) preserving or conserving wildlife;

1-55 (11) promoting educational development through loans
1-56 or scholarships to students;

1-57 (12) providing halfway house services pursuant to a
1-58 certification as a halfway house by the parole ~~[pardons and~~
1-59 ~~paroles]~~ division of the Texas Department of Criminal Justice;

1-60 (13) providing permanent housing and related social,
1-61 health care, and educational facilities for persons who are 62
1-62 years of age or older without regard to the residents' ability to
1-63 pay;

1-64 (14) promoting or operating an art gallery, museum, or

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

2-3 (15) providing for the organized solicitation and
2-4 collection for distributions through gifts, grants, and agreements
2-5 to nonprofit charitable, education, religious, and youth
2-6 organizations that provide direct human, health, and welfare
2-7 services;

2-8 (16) performing biomedical or scientific research or
2-9 biomedical or scientific education for the benefit of the public;

2-10 (17) operating a television station that produces or
2-11 broadcasts educational, cultural, or other public interest
2-12 programming and that receives grants from the Corporation for
2-13 Public Broadcasting under 47 U.S.C. Section 396, as amended;

2-14 (18) providing housing for low-income and
2-15 moderate-income families, for unmarried individuals 62 years of age
2-16 or older, for handicapped individuals, and for families displaced
2-17 by urban renewal, through the use of trust assets that are
2-18 irrevocably and, pursuant to a contract entered into before
2-19 December 31, 1972, contractually dedicated on the sale or
2-20 disposition of the housing to a charitable organization that
2-21 performs charitable functions described by Subdivision (9);

2-22 (19) providing housing and related services to persons
2-23 who are 62 years of age or older in a retirement community, if the
2-24 retirement community provides independent living services,
2-25 assisted living services, and nursing services to its residents on
2-26 a single campus:

2-27 (A) without regard to the residents' ability to
2-28 pay; or

2-29 (B) in which at least four percent of the
2-30 retirement community's combined net resident revenue is provided in
2-31 charitable care to its residents;

2-32 (20) providing housing on a cooperative basis to
2-33 students of an institution of higher education if:

2-34 (A) the organization is exempt from federal
2-35 income taxation under Section 501(a), Internal Revenue Code of
2-36 1986, as amended, by being listed as an exempt entity under Section
2-37 501(c)(3) of that code;

2-38 (B) membership in the organization is open to all
2-39 students enrolled in the institution and is not limited to those
2-40 chosen by current members of the organization;

2-41 (C) the organization is governed by its members;
2-42 and

2-43 (D) the members of the organization share the
2-44 responsibility for managing the housing;

2-45 (21) acquiring, holding, and transferring unimproved
2-46 real property under an urban land bank demonstration program
2-47 established under Chapter 379C, Local Government Code, as or on
2-48 behalf of a land bank; or

2-49 (22) acquiring, holding, and transferring unimproved
2-50 real property under an urban land bank program established under
2-51 Chapter 379E, Local Government Code, as or on behalf of a land bank.

2-52 SECTION 2. To the extent of any conflict, this Act prevails
2-53 over another Act of the 81st Legislature, Regular Session, 2009,
2-54 relating to nonsubstantive additions to and corrections in enacted
2-55 codes.

2-56 SECTION 3. This Act applies only to an ad valorem tax year
2-57 that begins on or after the effective date of this Act.

2-58 SECTION 4. This Act takes effect January 1, 2010.

2-59 * * * * *