

By: Bell

H.B. No. 3280

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an exemption from ad valorem taxation for property
3 owned by a charitable organization for the purpose of donation to a
4 partially disabled veteran for use as the veteran's residence
5 homestead and for property donated to such a veteran by, or
6 purchased by such a veteran with a donation from, such an
7 organization for that purpose.

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

9 SECTION 1. The heading to Section 11.132, Tax Code, as added
10 by Chapter 122 (H.B. 97), Acts of the 83rd Legislature, Regular
11 Session, 2013, is amended to read as follows:

12 Sec. 11.132. [~~DONATED~~] RESIDENCE HOMESTEAD OF PARTIALLY
13 DISABLED VETERAN DONATED BY OR PURCHASED WITH DONATION FROM
14 CHARITABLE ORGANIZATION.

15 SECTION 2. Section 11.132, Tax Code, as added by Chapter 122
16 (H.B. 97), Acts of the 83rd Legislature, Regular Session, 2013, is
17 amended by amending Subsections (b) and (c) and adding Subsections
18 (b-1) and (e) to read as follows:

19 (b) A disabled veteran who has a disability rating of less
20 than 100 percent is entitled to an exemption from taxation of a
21 percentage of the appraised value of the disabled veteran's
22 residence homestead equal to the disabled veteran's disability
23 rating if the residence homestead was donated to the disabled
24 veteran by a charitable organization:

1 (1) at no cost to the disabled veteran; or

2 (2) at some cost to the disabled veteran in the form of
3 a cash payment, a mortgage, or both in an aggregate amount that is
4 not more than 50 percent of the good faith estimate of the market
5 value of the residence homestead made by the charitable
6 organization as of the date the donation is made.

7 (b-1) A disabled veteran who has a disability rating of less
8 than 100 percent is entitled to an exemption from taxation of a
9 portion of the appraised value of the disabled veteran's residence
10 homestead equal to the dollar amount of a donation made to the
11 disabled veteran by a charitable organization for the purpose of
12 purchasing the residence homestead if the donation is used by the
13 disabled veteran for that purpose.

14 (c) The surviving spouse of a disabled veteran who qualified
15 for an exemption under Subsection (b) or (b-1) of a percentage or a
16 portion of the appraised value of the disabled veteran's residence
17 homestead when the disabled veteran died is entitled to an
18 exemption from taxation of the same percentage or portion of the
19 appraised value of the same property to which the disabled
20 veteran's exemption applied if:

21 (1) the surviving spouse has not remarried since the
22 death of the disabled veteran; and

23 (2) the property:

24 (A) was the residence homestead of the surviving
25 spouse when the disabled veteran died; and

26 (B) remains the residence homestead of the
27 surviving spouse.

1 (e) An eligible disabled veteran may not receive an
2 exemption of both a percentage and a portion of the appraised value
3 of the residence homestead under Subsections (b) and (b-1), but may
4 choose either.

5 SECTION 3. Subchapter B, Chapter 11, Tax Code, is amended by
6 adding Section 11.1815 to read as follows:

7 Sec. 11.1815. CHARITABLE ORGANIZATIONS BUILDING RESIDENCE
8 HOMESTEADS FOR DISABLED VETERANS. (a) A charitable organization is
9 entitled to an exemption from taxation of real property it owns if
10 the organization:

11 (1) is exempt from federal income taxation under
12 Section 501(a), Internal Revenue Code of 1986, as an organization
13 described by Section 501(c)(3) of that code; and

14 (2) owns the property for the purpose of building a
15 single-family residence on the property to donate to a disabled
16 veteran at no cost to the disabled veteran as provided by Section
17 11.132(b)(1), or at some cost to the disabled veteran as provided by
18 Section 11.132(b)(2).

19 (b) Property may not be exempted under Subsection (a) after
20 the third anniversary of the date the charitable organization
21 acquires the property.

22 (c) For the purposes of Subsection (d), the chief appraiser
23 shall determine the market value of property exempted under this
24 section and shall record the market value in the appraisal records.

25 (d) If the charitable organization sells property exempted
26 under this section to a person other than a disabled veteran through
27 a donation described by Subsection (a)(2), a penalty is imposed on

1 the property equal to the amount of the taxes that would have been
2 imposed on the property in each tax year that the property was
3 exempted from taxation under this section, plus interest at an
4 annual rate of seven percent calculated from the dates on which the
5 taxes would have become due.

6 (e) The charitable organization and the purchaser of the
7 property are jointly and severally liable for the penalty and
8 interest imposed under Subsection (d). A tax lien in favor of all
9 taxing units for which the penalty is imposed attaches to the
10 property to secure payment of the penalty and interest.

11 (f) The chief appraiser shall make an entry in the appraisal
12 records for the property against which a penalty under Subsection
13 (d) is imposed and shall deliver written notice of the imposition of
14 the penalty and interest to the charitable organization and to the
15 person who purchased the property from that organization.

16 SECTION 4. The heading to Section 11.436, Tax Code, is
17 amended to read as follows:

18 Sec. 11.436. APPLICATION FOR EXEMPTION OF CERTAIN PROPERTY
19 USED FOR LOW-INCOME HOUSING OR TO BUILD RESIDENCE HOMESTEADS FOR
20 DISABLED VETERANS.

21 SECTION 5. Section 11.436(a), Tax Code, is amended to read
22 as follows:

23 (a) An organization that acquires property that qualifies
24 for an exemption under Section 11.181(a), 11.1815(a), or 11.1825
25 may apply for the exemption for the year of acquisition not later
26 than the 30th day after the date the organization acquires the
27 property, and the deadline provided by Section 11.43(d) does not

1 apply to the application for that year.

2 SECTION 6. Section 26.111(a), Tax Code, is amended to read
3 as follows:

4 (a) If an organization acquires taxable property that
5 qualifies for and is granted an exemption under Section 11.181(a),
6 11.1815(a), or 11.182(a) for the year in which the property was
7 acquired, the amount of tax due on the property for that year is
8 calculated by multiplying the amount of taxes imposed on the
9 property for the entire year as provided by Section 26.09 by a
10 fraction, the denominator of which is 365 and the numerator of which
11 is the number of days in that year before the date the charitable
12 organization acquired the property.

13 SECTION 7. The heading to Section 26.1127, Tax Code, is
14 amended to read as follows:

15 Sec. 26.1127. CALCULATION OF TAXES ON [~~DONATED~~] RESIDENCE
16 HOMESTEAD OF DISABLED VETERAN OR SURVIVING SPOUSE OF DISABLED
17 VETERAN DONATED BY OR PURCHASED WITH DONATION FROM CHARITABLE
18 ORGANIZATION.

19 SECTION 8. This Act applies only to ad valorem taxes imposed
20 for an ad valorem tax year that begins on or after the effective
21 date of this Act.

22 SECTION 9. This Act takes effect January 1, 2016, but only
23 if the constitutional amendment proposed by the 84th Legislature,
24 Regular Session, 2015, authorizing the legislature to provide for
25 an exemption from ad valorem taxation of part of the market value of
26 the residence homestead of a partially disabled veteran or the
27 surviving spouse of a partially disabled veteran if the residence

1 homestead was donated to the partially disabled veteran by a
2 charitable organization for less than the market value of the
3 residence homestead or if the charitable organization donated all
4 or part of the purchase price of the residence homestead to the
5 partially disabled veteran and harmonizing certain related
6 provisions of the Texas Constitution is approved by the voters. If
7 that amendment is not approved by the voters, this Act has no
8 effect.