

By: Lozano

H.B. No. 845

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the governing body of a taxing unit to
3 exempt from ad valorem taxation mineral interests owned by
4 nonprofit corporations organized for the exclusive purpose of
5 generating income for certain charitable nonprofit corporations
6 through the ownership, lease, and management of real property.

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

8 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
9 adding Section 11.186 to read as follows:

10 Sec. 11.186. MINERAL INTERESTS OWNED BY CERTAIN NONPROFIT
11 CORPORATIONS. (a) A nonprofit corporation is entitled to an
12 exemption from taxation by a taxing unit of the mineral interests
13 owned by the nonprofit corporation if:

14 (1) the nonprofit corporation:

15 (A) is governed by the Texas Nonprofit
16 Corporation Law, as described by Section 1.008, Business
17 Organizations Code; and

18 (B) is organized for the exclusive purpose of
19 generating income for a specific charitable nonprofit corporation
20 through its ownership, lease, and management of real property,
21 including buildings, land, and mineral interests;

22 (2) the charitable nonprofit corporation:

23 (A) is governed by the Texas Nonprofit
24 Corporation Law, as described by Section 1.008, Business

1 Organizations Code;

2 (B) is organized exclusively to perform
3 religious and charitable purposes;

4 (C) is engaged exclusively in providing housing,
5 counseling, training, spiritual aid, and related services to
6 children and families in need;

7 (D) does not charge a fee for the provision of a
8 service; and

9 (E) does not accept or receive money from a
10 governmental entity; and

11 (3) the exemption is adopted by the governing body of
12 the taxing unit in the manner provided by law for official action by
13 the governing body.

14 (b) A nonprofit corporation described by Subsection (a)(1)
15 or (2) may not be operated in a way that results in:

16 (1) the accrual of distributable profits;

17 (2) the realization of private gain resulting from
18 payment of compensation in excess of a reasonable allowance for
19 salary or other compensation for services rendered; or

20 (3) the realization of any other form of private gain.

21 (c) An exemption under this section adopted by the governing
22 body of a taxing unit applies to:

23 (1) the tax year:

24 (A) in which the exemption is adopted by the
25 governing body if officially adopted before April 15; or

26 (B) immediately following the tax year in which
27 the exemption is adopted by the governing body if officially

1 adopted on or after April 15; and

2 (2) each tax year following that tax year unless and
3 until repealed in the manner provided by Subsection (d).

4 (d) The governing body of a taxing unit may repeal an
5 exemption adopted under this section in the manner provided by law
6 for official action by the governing body.

7 SECTION 2. Section 11.43(c), Tax Code, is amended to read as
8 follows:

9 (c) An exemption provided by Section 11.13, 11.131, 11.132,
10 11.133, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.186, 11.19,
11 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
12 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once
13 allowed, need not be claimed in subsequent years, and except as
14 otherwise provided by Subsection (e), the exemption applies to the
15 property until it changes ownership or the person's qualification
16 for the exemption changes. However, the chief appraiser may
17 require a person allowed one of the exemptions in a prior year to
18 file a new application to confirm the person's current
19 qualification for the exemption by delivering a written notice that
20 a new application is required, accompanied by an appropriate
21 application form, to the person previously allowed the exemption.
22 If the person previously allowed the exemption is 65 years of age or
23 older, the chief appraiser may not cancel the exemption due to the
24 person's failure to file the new application unless the chief
25 appraiser complies with the requirements of Subsection (q), if
26 applicable.

27 SECTION 3. Section 403.302(d), Government Code, is amended

1 to read as follows:

2 (d) For the purposes of this section, "taxable value" means
3 the market value of all taxable property less:

4 (1) the total dollar amount of any residence homestead
5 exemptions lawfully granted under Section 11.13(b) or (c), Tax
6 Code, in the year that is the subject of the study for each school
7 district;

8 (2) one-half of the total dollar amount of any
9 residence homestead exemptions granted under Section 11.13(n), Tax
10 Code, in the year that is the subject of the study for each school
11 district;

12 (3) the total dollar amount of any exemptions granted
13 before May 31, 1993, within a reinvestment zone under agreements
14 authorized by Chapter 312, Tax Code;

15 (4) subject to Subsection (e), the total dollar amount
16 of any captured appraised value of property that:

17 (A) is within a reinvestment zone created on or
18 before May 31, 1999, or is proposed to be included within the
19 boundaries of a reinvestment zone as the boundaries of the zone and
20 the proposed portion of tax increment paid into the tax increment
21 fund by a school district are described in a written notification
22 provided by the municipality or the board of directors of the zone
23 to the governing bodies of the other taxing units in the manner
24 provided by former Section 311.003(e), Tax Code, before May 31,
25 1999, and within the boundaries of the zone as those boundaries
26 existed on September 1, 1999, including subsequent improvements to
27 the property regardless of when made;

1 (B) generates taxes paid into a tax increment
2 fund created under Chapter 311, Tax Code, under a reinvestment zone
3 financing plan approved under Section 311.011(d), Tax Code, on or
4 before September 1, 1999; and

5 (C) is eligible for tax increment financing under
6 Chapter 311, Tax Code;

7 (5) the total dollar amount of any captured appraised
8 value of property that:

9 (A) is within a reinvestment zone:

10 (i) created on or before December 31, 2008,
11 by a municipality with a population of less than 18,000; and

12 (ii) the project plan for which includes
13 the alteration, remodeling, repair, or reconstruction of a
14 structure that is included on the National Register of Historic
15 Places and requires that a portion of the tax increment of the zone
16 be used for the improvement or construction of related facilities
17 or for affordable housing;

18 (B) generates school district taxes that are paid
19 into a tax increment fund created under Chapter 311, Tax Code; and

20 (C) is eligible for tax increment financing under
21 Chapter 311, Tax Code;

22 (6) the total dollar amount of any exemptions granted
23 under Section 11.186, 11.251, or 11.253, Tax Code;

24 (7) the difference between the comptroller's estimate
25 of the market value and the productivity value of land that
26 qualifies for appraisal on the basis of its productive capacity,
27 except that the productivity value estimated by the comptroller may

1 not exceed the fair market value of the land;

2 (8) the portion of the appraised value of residence
3 homesteads of individuals who receive a tax limitation under
4 Section 11.26, Tax Code, on which school district taxes are not
5 imposed in the year that is the subject of the study, calculated as
6 if the residence homesteads were appraised at the full value
7 required by law;

8 (9) a portion of the market value of property not
9 otherwise fully taxable by the district at market value because of:

10 (A) action required by statute or the
11 constitution of this state, other than Section 11.311, Tax Code,
12 that, if the tax rate adopted by the district is applied to it,
13 produces an amount equal to the difference between the tax that the
14 district would have imposed on the property if the property were
15 fully taxable at market value and the tax that the district is
16 actually authorized to impose on the property, if this subsection
17 does not otherwise require that portion to be deducted; or

18 (B) action taken by the district under Subchapter
19 B or C, Chapter 313, Tax Code, before the expiration of the
20 subchapter;

21 (10) the market value of all tangible personal
22 property, other than manufactured homes, owned by a family or
23 individual and not held or used for the production of income;

24 (11) the appraised value of property the collection of
25 delinquent taxes on which is deferred under Section 33.06, Tax
26 Code;

27 (12) the portion of the appraised value of property

1 the collection of delinquent taxes on which is deferred under
2 Section 33.065, Tax Code; and

3 (13) the amount by which the market value of a
4 residence homestead to which Section 23.23, Tax Code, applies
5 exceeds the appraised value of that property as calculated under
6 that section.

7 SECTION 4. This Act applies only to ad valorem taxes imposed
8 for a tax year that begins on or after the effective date of this
9 Act.

10 SECTION 5. This Act takes effect January 1, 2018, but only
11 if the constitutional amendment proposed by the 85th Legislature,
12 Regular Session, 2017, authorizing the governing body of a
13 political subdivision to exempt from ad valorem taxation mineral
14 interests owned by nonprofit corporations organized for the
15 exclusive purpose of generating income for certain charitable
16 nonprofit corporations through the ownership, lease, and
17 management of real property is approved by the voters. If that
18 amendment is not approved by the voters, this Act has no effect.