

AN ACT

relating to the exemption from ad valorem taxation of property owned by certain medical centers in certain counties.

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

SECTION 1. Section 11.23(j-1), Tax Code, is amended to read as follows:

(j-1) Medical Center Development in Populous Counties. In a county with a population of 3.3 million or more [~~described by Section 201.1055(1), Transportation Code~~], all real and personal property owned by a nonprofit corporation, as that term is defined by Section 22.001, Business Organizations Code, organized exclusively for benevolent, charitable, and educational purposes [~~in the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~], and held for use in the development or operation of a medical center area or areas in which the nonprofit corporation has donated land for a state medical, dental, or nursing school, [~~and~~] for other hospital, medical, educational, research, or nonprofit uses and uses reasonably related to those uses [~~thereto~~], for auxiliary uses to support those benevolent, charitable, and educational functions, including the invention, development, and dissemination of materials, tools, technologies, processes, and similar means for translating and applying medical and scientific research for practical applications to advance public health, or for governmental or

1 public purposes, including the relief of traffic congestion, [~~and~~  
2 ~~not leased or otherwise used with a view to profit,~~] is exempt from  
3 all ad valorem taxation [~~as though the property were, during that~~  
4 ~~time, owned and held by the state for health and educational~~  
5 ~~purposes~~]. In connection with the application or enforcement of a  
6 deed restriction or a covenant related to the property, a use or  
7 purpose described in this subsection shall also be considered to be  
8 a hospital, medical, or educational use, or a use that is reasonably  
9 related to a hospital, medical, or educational use. This  
10 subsection may not be construed to exempt from taxation any  
11 interest in real or personal property, including a leasehold or  
12 other possessory interest, of a for-profit lessee of property for  
13 which a nonprofit corporation is entitled to an exemption from  
14 taxation under this subsection.

15 SECTION 2. This Act applies only to ad valorem taxes imposed  
16 for a tax year beginning on or after the effective date of this Act.

17 SECTION 3. This Act takes effect January 1, 2018.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2999 was passed by the House on April 20, 2017, by the following vote: Yeas 144, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2999 on May 21, 2017, by the following vote: Yeas 138, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2999 was passed by the Senate, with amendments, on May 18, 2017, by the following vote: Yeas 30, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor