

1-1 By: Watson S.B. No. 1345
 1-2 (In the Senate - Filed March 6, 2017; March 14, 2017, read
 1-3 first time and referred to Committee on Finance; April 3, 2017,
 1-4 reported favorably by the following vote: Yeas 14, Nays 0;
 1-5 April 3, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Birdwell	X			
1-11 Hancock	X			
1-12 Huffman			X	
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to the exemption from ad valorem taxation of property
 1-26 owned by a charitable organization and used to provide tax return
 1-27 preparation and other financial services without regard to the
 1-28 beneficiaries' ability to pay.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 11.18(d), Tax Code, is amended to read as
 1-31 follows:

1-32 (d) A charitable organization must be organized exclusively
 1-33 to perform religious, charitable, scientific, literary, or
 1-34 educational purposes and, except as permitted by Subsections (h)
 1-35 and (l), engage exclusively in performing one or more of the
 1-36 following charitable functions:

1-37 (1) providing medical care without regard to the
 1-38 beneficiaries' ability to pay, which in the case of a nonprofit
 1-39 hospital or hospital system means providing charity care and
 1-40 community benefits in accordance with Section 11.1801;

1-41 (2) providing support or relief to orphans,
 1-42 delinquent, dependent, or handicapped children in need of
 1-43 residential care, abused or battered spouses or children in need of
 1-44 temporary shelter, the impoverished, or victims of natural disaster
 1-45 without regard to the beneficiaries' ability to pay;

1-46 (3) providing support without regard to the
 1-47 beneficiaries' ability to pay to:

1-48 (A) elderly persons, including the provision of:
 1-49 (i) recreational or social activities; and
 1-50 (ii) facilities designed to address the
 1-51 special needs of elderly persons; or

1-52 (B) the handicapped, including training and
 1-53 employment:

1-54 (i) in the production of commodities; or
 1-55 (ii) in the provision of services under 41

1-56 U.S.C. Sections 8501-8506 [~~46-48c~~];

1-57 (4) preserving a historical landmark or site;

1-58 (5) promoting or operating a museum, zoo, library,
 1-59 theater of the dramatic or performing arts, or symphony orchestra
 1-60 or choir;

1-61 (6) promoting or providing humane treatment of

2-1 animals;

2-2 (7) acquiring, storing, transporting, selling, or
2-3 distributing water for public use;

2-4 (8) answering fire alarms and extinguishing fires with
2-5 no compensation or only nominal compensation to the members of the
2-6 organization;

2-7 (9) promoting the athletic development of boys or
2-8 girls under the age of 18 years;

2-9 (10) preserving or conserving wildlife;

2-10 (11) promoting educational development through loans
2-11 or scholarships to students;

2-12 (12) providing halfway house services pursuant to a
2-13 certification as a halfway house by the parole division of the Texas
2-14 Department of Criminal Justice;

2-15 (13) providing permanent housing and related social,
2-16 health care, and educational facilities for persons who are 62
2-17 years of age or older without regard to the residents' ability to
2-18 pay;

2-19 (14) promoting or operating an art gallery, museum, or
2-20 collection, in a permanent location or on tour, that is open to the
2-21 public;

2-22 (15) providing for the organized solicitation and
2-23 collection for distributions through gifts, grants, and agreements
2-24 to nonprofit charitable, education, religious, and youth
2-25 organizations that provide direct human, health, and welfare
2-26 services;

2-27 (16) performing biomedical or scientific research or
2-28 biomedical or scientific education for the benefit of the public;

2-29 (17) operating a television station that produces or
2-30 broadcasts educational, cultural, or other public interest
2-31 programming and that receives grants from the Corporation for
2-32 Public Broadcasting under 47 U.S.C. Section 396, as amended;

2-33 (18) providing housing for low-income and
2-34 moderate-income families, for unmarried individuals 62 years of age
2-35 or older, for handicapped individuals, and for families displaced
2-36 by urban renewal, through the use of trust assets that are
2-37 irrevocably and, pursuant to a contract entered into before
2-38 December 31, 1972, contractually dedicated on the sale or
2-39 disposition of the housing to a charitable organization that
2-40 performs charitable functions described by Subdivision (9);

2-41 (19) providing housing and related services to persons
2-42 who are 62 years of age or older in a retirement community, if the
2-43 retirement community provides independent living services,
2-44 assisted living services, and nursing services to its residents on
2-45 a single campus:

2-46 (A) without regard to the residents' ability to
2-47 pay; or

2-48 (B) in which at least four percent of the
2-49 retirement community's combined net resident revenue is provided in
2-50 charitable care to its residents;

2-51 (20) providing housing on a cooperative basis to
2-52 students of an institution of higher education if:

2-53 (A) the organization is exempt from federal
2-54 income taxation under Section 501(a), Internal Revenue Code of
2-55 1986, as amended, by being listed as an exempt entity under Section
2-56 501(c)(3) of that code;

2-57 (B) membership in the organization is open to all
2-58 students enrolled in the institution and is not limited to those
2-59 chosen by current members of the organization;

2-60 (C) the organization is governed by its members;

2-61 and

2-62 (D) the members of the organization share the
2-63 responsibility for managing the housing;

2-64 (21) acquiring, holding, and transferring unimproved
2-65 real property under an urban land bank demonstration program
2-66 established under Chapter 379C, Local Government Code, as or on
2-67 behalf of a land bank;

2-68 (22) acquiring, holding, and transferring unimproved
2-69 real property under an urban land bank program established under

3-1 Chapter 379E, Local Government Code, as or on behalf of a land bank;
 3-2 (23) providing housing and related services to
 3-3 individuals who:
 3-4 (A) are unaccompanied and homeless and have a
 3-5 disabling condition; and
 3-6 (B) have been continuously homeless for a year or
 3-7 more or have had at least four episodes of homelessness in the
 3-8 preceding three years; ~~or~~
 3-9 (24) operating a radio station that broadcasts
 3-10 educational, cultural, or other public interest programming,
 3-11 including classical music, and that in the preceding five years has
 3-12 received or been selected to receive one or more grants from the
 3-13 Corporation for Public Broadcasting under 47 U.S.C. Section 396, as
 3-14 amended; or
 3-15 (25) providing, without regard to the beneficiaries'
 3-16 ability to pay, tax return preparation services and assistance with
 3-17 other financial matters.
 3-18 SECTION 2. This Act applies only to an ad valorem tax year
 3-19 that begins on or after the effective date of this Act.
 3-20 SECTION 3. This Act takes effect January 1, 2018.

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