

Chapter 1246

AN ACT

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

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

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

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

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

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

(3) providing support without regard to the beneficiaries' ability to pay to:

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- 1                    (A) elderly persons, including the provision of:
  - 2                    (i) recreational or social activities; and
  - 3                    (ii) facilities designed to address the
  - 4 special needs of elderly persons; ~~[7]~~ or
- 5                    (B) ~~[to]~~ the handicapped, including training and
- 6 employment:
  - 7                    (i) in the production of commodities; or
  - 8                    (ii) in the provision of services under 41
  - 9 U.S.C. Sections 46-48c ~~[without regard to the beneficiaries'~~
  - 10 ~~ability to pay]~~;
  - 11                    (4) preserving a historical landmark or site;
  - 12                    (5) promoting or operating a museum, zoo, library,
  - 13 theater of the dramatic or performing arts, or symphony orchestra
  - 14 or choir;
  - 15                    (6) promoting or providing humane treatment of
  - 16 animals;
  - 17                    (7) acquiring, storing, transporting, selling, or
  - 18 distributing water for public use;
  - 19                    (8) answering fire alarms and extinguishing fires with
  - 20 no compensation or only nominal compensation to the members of the
  - 21 organization;
  - 22                    (9) promoting the athletic development of boys or
  - 23 girls under the age of 18 years;
  - 24                    (10) preserving or conserving wildlife;
  - 25                    (11) promoting educational development through loans
  - 26 or scholarships to students;
  - 27                    (12) providing halfway house services pursuant to a

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1 certification as a halfway house by the parole [~~pardons and~~  
2 ~~paroles~~] division of the Texas Department of Criminal Justice;

3           (13) providing permanent housing and related social,  
4 health care, and educational facilities for persons who are 62  
5 years of age or older without regard to the residents' ability to  
6 pay;

7           (14) promoting or operating an art gallery, museum, or  
8 collection, in a permanent location or on tour, that is open to the  
9 public;

10           (15) providing for the organized solicitation and  
11 collection for distributions through gifts, grants, and agreements  
12 to nonprofit charitable, education, religious, and youth  
13 organizations that provide direct human, health, and welfare  
14 services;

15           (16) performing biomedical or scientific research or  
16 biomedical or scientific education for the benefit of the public;

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

21           (18) providing housing for low-income and  
22 moderate-income families, for unmarried individuals 62 years of age  
23 or older, for handicapped individuals, and for families displaced  
24 by urban renewal, through the use of trust assets that are  
25 irrevocably and, pursuant to a contract entered into before  
26 December 31, 1972, contractually dedicated on the sale or  
27 disposition of the housing to a charitable organization that

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1 performs charitable functions described by Subdivision (9);

2 (19) providing housing and related services to persons  
3 who are 62 years of age or older in a retirement community, if the  
4 retirement community provides independent living services,  
5 assisted living services, and nursing services to its residents on  
6 a single campus:

7 (A) without regard to the residents' ability to  
8 pay; or

9 (B) in which at least four percent of the  
10 retirement community's combined net resident revenue is provided in  
11 charitable care to its residents;

12 (20) providing housing on a cooperative basis to  
13 students of an institution of higher education if:

14 (A) the organization is exempt from federal  
15 income taxation under Section 501(a), Internal Revenue Code of  
16 1986, as amended, by being listed as an exempt entity under Section  
17 501(c)(3) of that code;

18 (B) membership in the organization is open to all  
19 students enrolled in the institution and is not limited to those  
20 chosen by current members of the organization;

21 (C) the organization is governed by its members;  
22 and

23 (D) the members of the organization share the  
24 responsibility for managing the housing;

25 (21) acquiring, holding, and transferring unimproved  
26 real property under an urban land bank demonstration program  
27 established under Chapter 379C, Local Government Code, as or on

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1 behalf of a land bank; [~~or~~]

2 (22) acquiring, holding, and transferring unimproved  
3 real property under an urban land bank program established under  
4 Chapter 379E, Local Government Code, as or on behalf of a land bank;  
5 or

6 (23) operating a radio station that broadcasts  
7 educational, cultural, or other public interest programming,  
8 including classical music, and that in the preceding five years has  
9 received or been selected to receive one or more grants from the  
10 Corporation for Public Broadcasting under 47 U.S.C. Section 396, as  
11 amended.

12 SECTION 2. Section 11.18, Tax Code, is amended by adding  
13 Subsection (p) to read as follows:

14 (p) Real property owned by a charitable organization and  
15 leased to an institution of higher education, as defined by Section  
16 61.003, Education Code, is exempt from taxation to the same extent  
17 as the property would be exempt if the property were owned by the  
18 institution.

19 SECTION 3. To the extent of any conflict, this Act prevails  
20 over another Act of the 81st Legislature, Regular Session, 2009,  
21 relating to nonsubstantive additions to and corrections in enacted  
22 codes.

23 SECTION 4. This Act applies only to an ad valorem tax year  
24 that begins on or after the effective date of this Act.

25 SECTION 5. This Act takes effect January 1, 2010.

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David Isenhurst  
President of the Senate

Jim Strawn  
Speaker of the House

I hereby certify that S.B. No. 2442 passed the Senate on May 13, 2009, by the following vote: Yeas 31, Nays 0; May 30, 2009, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 30, 2009, House granted request of the Senate; June 1, 2009, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Patsy Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 2442 passed the House, with amendments, on May 26, 2009, by the following vote: Yeas 141, Nays 2, one present not voting; May 30, 2009, House granted request of the Senate for appointment of Conference Committee; May 31, 2009, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, two present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

19 JUN '09  
Date

RICK PERRY  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2PM O'CLOCK  
JUN 19 2009

Colby Hunter III