

SUBJECT: Changing property tax exemption procedure for certain veteran nonprofits

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray

0 nays

1 absent — Parker

SENATE VOTE: On final passage, April 28 — 31-0

WITNESSES: None

BACKGROUND: Tax Code, sec. 11.23 lists miscellaneous property tax exemptions that require an annual application for the exemption. Tax Code, sec. 11.43(c) establishes that certain exempt organizations, including county fair associations and medical center developments, are not required to apply annually for the exemption.

DIGEST: SB 918 would add certain veterans' organizations to the list of organizations that, once exempt from property taxes, are not required to apply for the exemption in subsequent years unless the property changes ownership, the organization's qualification for the exemption changes, or the chief appraiser requests a new application.

The bill would apply to land owned and primarily used by nonprofit organizations composed of current or former members of the U.S. armed forces or allied forces that was chartered or incorporated by the U.S. Congress, as long as the property was not used to produce revenue or held for gain.

The bill would take effect January 1, 2016, and would apply only to property taxes imposed for a tax year beginning on or after that date.

SUPPORTERS
SAY:

SB 918 would remove an unnecessary burden placed on nonprofit veterans' organizations by ending the requirement that they file an annual application for a property tax exemption. The executive boards of many of these organizations change annually and requesting a new application annually from each board creates a paperwork challenge.

The bill appropriately would provide relief to organizations that support military veterans as well as those currently serving, including organizations that assist widows and orphans of veterans and the dependents of disabled veterans.

OPPONENTS
SAY:

No apparent opposition.