TAX CODE

TITLE 1. PROPERTY TAX CODE

SUBTITLE C. TAXABLE PROPERTY AND EXEMPTIONS

CHAPTER 11. TAXABLE PROPERTY AND EXEMPTIONS

SUBCHAPTER A. TAXABLE PROPERTY

Sec. 11.01. REAL AND TANGIBLE PERSONAL PROPERTY. (a) All real and tangible personal property that this state has jurisdiction to tax is taxable unless exempt by law.

(b) This state has jurisdiction to tax real property if located in this state.

(c) This state has jurisdiction to tax tangible personal property if the property is:

(1) located in this state for longer than a temporary period;

(2) temporarily located outside this state and the owner resides in this state; or

(3) used continually, whether regularly or irregularly, in this state.

(d) Tangible personal property that is operated or located exclusively outside this state during the year preceding the tax year and on January 1 of the tax year is not taxable in this state.

(e) For purposes of Subsection (c)(3), property is considered to be used continually, whether regularly or irregularly, in this state if the property is used in this state three or more times on regular routes or for three or more completed assignments occurring in close succession throughout the year. For purposes of this subsection, a series of events are considered to occur in close succession throughout the year if they occur in sequence within a short period at intervals from the beginning to the end of the year.

Acts 1979, 66th Leg., p. 2233, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1983, 68th Leg., p. 1908, ch. 353, Sec. 1, eff. Jan. 1, 1984; Acts 1989, 71st Leg., ch. 534, Sec. 2, eff. Jan. 1, 1990.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 893 (H.B. 3103), Sec. 1, eff.

June 15, 2017.

Sec. 11.02. INTANGIBLE PERSONAL PROPERTY. (a) Intangible personal property is not taxable.

(b) Repealed by Acts 2025, 89th Leg., R.S., Ch. 111 (H.B. 22), Sec. 3(1), eff. January 1, 2026.

(c) Repealed by Acts 2025, 89th Leg., R.S., Ch. 111 (H.B. 22), Sec. 3(1), eff. January 1, 2026.

Acts 1979, 66th Leg., p. 2233, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 31, art. 3, part A, Sec. 1, eff. Jan. 1, 1985; Acts 1999, 76th Leg., ch. 62, Sec. 7.88, eff. Sept. 1, 1999.

Amended by:

Acts 2025, 89th Leg., R.S., Ch. 111 (H.B. 22), Sec. 1, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 111 (H.B. 22), Sec. 3(1), eff. January 1, 2026.

SUBCHAPTER B. EXEMPTIONS

Sec. 11.11. PUBLIC PROPERTY. (a) Except as provided by Subsections (b) and (c) of this section, property owned by this state or a political subdivision of this state is exempt from taxation if the property is used for public purposes.

(b) Land owned by the Permanent University Fund is taxable for county purposes. Any notice required by Section 25.19 of this code shall be sent to the comptroller, and the comptroller shall appear in behalf of the state in any protest or appeal relating to taxation of Permanent University Fund land.

(c) Agricultural or grazing land owned by a county for the benefit of public schools under Article VII, Section 6, of the Texas Constitution is taxable for all purposes. The county shall pay the taxes on the land from the revenue derived from the land. If revenue from the land is insufficient to pay the taxes, the county shall pay the balance from the county general fund.

(d) Property owned by the state that is not used for public purposes is taxable. Property owned by a state agency or

institution is not used for public purposes if the property is rented or leased for compensation to a private business enterprise to be used by it for a purpose not related to the performance of the duties and functions of the state agency or institution or used to provide private residential housing for compensation to members of the public other than students and employees of the state agency or institution owning the property, unless the residential use is secondary to its use by an educational institution primarily for instructional purposes. Any notice required by Section 25.19 of this code shall be sent to the agency or institution that owns the property, and it shall appear in behalf of the state in any protest or appeal related to taxation of the property.

(e) Property that is held or dedicated for the support, maintenance, or benefit of an institution of higher education as defined by Section 61.003, Education Code, but is not rented or leased for compensation to a private business enterprise to be used by it for a purpose not related to the performance of the duties and functions of the state or institution or is not rented or leased to provide private residential housing to members of the public other than students and employees of the state or institution is not taxable. If a portion of property of an institution of higher education is used for public purposes and a portion is not used for those purposes, the portion of the property used for public purposes is exempt under this subsection. All oil, gas, and other mineral interests owned by an institution of higher education are exempt from all ad valorem taxes. Property bequeathed to an institution is exempt from the assessment of ad valorem taxes from the date of the decedent's death, unless:

(1) the property is leased for compensation to a private business enterprise as provided in this subsection; or

(2) the transfer of the property to an institution is contested in a probate court, in which case ad valorem taxes shall be assessed to the estate of the decedent until the final determination of the disposition of the property is made. The property is exempt from the assessment of ad valorem taxes upon vesting of the property in the institution.

(f) Property of a higher education development foundation

or an alumni association that is located on land owned by the state for the support, maintenance, or benefit of an institution of higher education as defined in Chapter 61, Education Code, is exempt from taxation if:

(1) the foundation or organization meets the requirements of Sections 11.18(e) and (f) and is organized exclusively to operate programs or perform other activities for the benefit of institutions of higher education; and

(2) the property is used exclusively in those programs or activities.

(g) For purposes of this section, an improvement is owned by the state and is used for public purposes if it is:

(1) located on land owned by the Texas Department of Criminal Justice;

(2) leased and used by the department; and

(3) subject to a lease-purchase agreement providing that legal title to the improvement passes to the department at the end of the lease period.

(h) For purposes of this section, tangible personal property is owned by this state or a political subdivision of this state if it is subject to a lease-purchase agreement providing that the state or political subdivision, as applicable, is entitled to compel delivery of the legal title to the property to the state or political subdivision, as applicable, at the end of the lease term. The property ceases to be owned by the state or political subdivision, as applicable, if, not later than the 30th day after the date the lease terminates, the state or political subdivision, as applicable, does not exercise its right to acquire legal title to the property.

(i) A corporation organized under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), or a successor statute, that engages primarily in providing chilled water and steam to an eligible institution, as defined by Section 301.031, Health and Safety Code, is entitled to an exemption from taxation of the property the corporation owns as though the property of the corporation were owned by this state and used for health or educational purposes.

(j) For purposes of this section, any portion of a facility owned by the Texas Department of Transportation that is a rail facility or system or is a highway in the state highway system, and that is licensed or leased to a private entity by that department under Chapter 91 or 223, Transportation Code, is public property used for a public purpose if the rail facility or system, highway, or facility is operated by the private entity to provide transportation or utility services. Any part of a facility, rail facility or system, or state highway that is licensed or leased to a private entity for a commercial purpose is not exempt from taxation.

Acts 1979, 66th Leg., p. 2234, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 127, ch. 13, Sec. 30, eff. Jan. 1, 1984; Acts 1983, 68th Leg., p. 4821, ch. 851, Sec. 5, eff. Aug. 29, 1983; Acts 1983, 68th Leg., p. 5419, ch. 1007, Sec. 1, eff. Jan. 1, 1984; Acts 1989, 71st Leg., ch. 796, Sec. 14, eff. Jan. 1, 1990; Acts 1989, 71st Leg., ch. 1021, Sec. 1, eff. Aug. 28, 1989; Acts 1990, 71st Leg., 6th C.S., ch. 12, Sec. 2(31), eff. Sept. 6, 1990; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 9, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 843, Sec. 1, eff. Jan. 1, 1998; Acts 2001, 77th Leg., ch. 362, Sec. 1, eff. May 26, 2001; Acts 2003, 78th Leg., ch. 1266, Sec. 1.01, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 281 (H.B. 2702), Sec. 2.95, eff. June 14, 2005.

Acts 2007, 80th Leg., R.S., Ch. 204 (S.B. 812), Sec. 1, eff. January 1, 2008.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 25.152, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 259 (H.B. 1201), Sec. 1, eff. June 17, 2011.

Sec. 11.111. PUBLIC PROPERTY USED TO PROVIDE TRANSITIONAL HOUSING FOR INDIGENT PERSONS. (a) The governing body of a taxing unit by ordinance or order may exempt from ad valorem taxation residential property owned by the United States or an agency of the United States and used to provide transitional housing for the

indigent under a program operated or directed by the United States Department of Housing and Urban Development.

(b) For purposes of this section, transitional housing for indigent individuals is housing provided at no cost or nominal cost to an indigent individual or family during a temporary period in which the individual or a member of the family participates in a job training program, job placement program, or other program intended to assist the individual or family to become self-sufficient.

(c) The exemption provided by this section applies even if the United States or its agency leases the property to a nonprofit organization in return for the organization's assistance in operating the program to provide transitional housing, as long as the lease does not require the nonprofit organization to pay more than a nominal amount to lease the property.

Added by Acts 1991, 72nd Leg., ch. 762, Sec. 13, eff. Jan. 1, 1992.

Sec. 11.12. FEDERAL EXEMPTIONS. Property exempt from ad valorem taxation by federal law is exempt from taxation.

Acts 1979, 66th Leg., p. 2234, ch. 841, Sec. 1, eff. Jan. 1, 1980.

Sec. 11.13. RESIDENCE HOMESTEAD. (a) A family or single adult is entitled to an exemption from taxation for the county purposes authorized in Article VIII, Section 1-a, of the Texas Constitution of $3,000 of the assessed value of his residence homestead.

(b) An adult is entitled to exemption from taxation by a school district of $140,000 of the appraised value of the adult's residence homestead, except that only $5,000 of the exemption applies to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

(c) In addition to the exemption provided by Subsection (b), an adult who is disabled or is 65 or older is entitled to an exemption from taxation by a school district of $60,000 of the appraised value of the person's residence homestead.

(d) In addition to the exemptions provided by Subsections (b) and (c) of this section, an individual who is disabled or is 65

or older is entitled to an exemption from taxation by a taxing unit of a portion (the amount of which is fixed as provided by Subsection (e) of this section) of the appraised value of his residence homestead if the exemption is adopted either:

(1) by the governing body of the taxing unit; or

(2) by a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of a taxing unit, and the governing body shall call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.

(e) The amount of an exemption adopted as provided by Subsection (d) of this section is $3,000 of the appraised value of the residence homestead unless a larger amount is specified by:

(1) the governing body authorizing the exemption if the exemption is authorized as provided by Subdivision (1) of Subsection (d) of this section; or

(2) the petition for the election if the exemption is authorized as provided by Subdivision (2) of Subsection (d) of this section.

(f) Once authorized, an exemption adopted as provided by Subsection (d) of this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by Subdivision (2) of Subsection (d) of this section. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

(g) If the residence homestead exemption provided by Subsection (d) of this section is adopted by a county that levies a tax for the county purposes authorized by Article VIII, Section 1-a, of the Texas Constitution, the residence homestead exemptions provided by Subsections (a) and (d) of this section may not be aggregated for the county tax purposes. An individual who is eligible for both exemptions is entitled to take only the exemption authorized as provided by Subsection (d) of this section for purposes of that county tax.

(h) Joint, community, or successive owners may not each

receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption from the same taxing unit in the same year but may choose either if a taxing unit has adopted both. An eligible disabled person who is 65 or older may receive both a disabled and an elderly residence homestead exemption in the same year if the person receives the exemptions with respect to taxes levied by different taxing units. A person may not receive an exemption under this section for more than one residence homestead in the same year. An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole recipient of any exemption granted to the owner for the residence homestead by or pursuant to this section.

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), or (n) of this section and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(j) For purposes of this section:

(1) "Residence homestead" means a structure (including a mobile home) or a separately secured and occupied portion of a structure (together with the land, not to exceed 20 acres, and improvements used in the residential occupancy of the structure, if the structure and the land and improvements have identical ownership) that:

(A) is owned by one or more individuals, either directly or through a beneficial interest in a qualifying trust;

(B) is designed or adapted for human residence;

(C) is used as a residence; and

(D) is occupied as the individual's principal residence by an owner, by an owner's surviving spouse who has a life estate in the property, or, for property owned through a beneficial

interest in a qualifying trust, by a trustor or beneficiary of the trust who qualifies for the exemption.

(2) "Trustor" means a person who transfers an interest in real or personal property to a qualifying trust, whether during the person's lifetime or at death, or the person's spouse.

(3) "Qualifying trust" means a trust:

(A) in which the agreement, will, or court order creating the trust, an instrument transferring property to the trust, or any other agreement that is binding on the trustee provides that the trustor of the trust or a beneficiary of the trust has the right to use and occupy as the trustor's or beneficiary's principal residence residential property rent free and without charge except for taxes and other costs and expenses specified in the instrument or court order:

(i) for life;

(ii) for the lesser of life or a term of years; or

(iii) until the date the trust is revoked or terminated by an instrument or court order that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in which the property is located; and

(B) that acquires the property in an instrument of title or under a court order that:

(i) describes the property with sufficient certainty to identify it and the interest acquired; and

(ii) is recorded in the real property records of the county in which the property is located.

(k) A qualified residential structure does not lose its character as a residence homestead if a portion of the structure is rented to another or is used primarily for other purposes that are incompatible with the owner's residential use of the structure. However, the amount of any residence homestead exemption does not apply to the value of that portion of the structure that is used primarily for purposes that are incompatible with the owner's residential use.

(l) A qualified residential structure does not lose its

character as a residence homestead when the owner who qualifies for the exemption temporarily stops occupying it as a principal residence if that owner does not establish a different principal residence and the absence is:

(1) for a period of less than two years and the owner intends to return and occupy the structure as the owner's principal residence; or

(2) caused by the owner's:

(A) military service inside or outside of the United States as a member of the armed forces of the United States or of this state; or

(B) residency in a facility that provides services related to health, infirmity, or aging.

(m) In this section:

(1) "Disabled" means under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance.

(2) "School district" means a political subdivision organized to provide general elementary and secondary public education. "School district" does not include a junior college district or a political subdivision organized to provide special education services.

(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than $5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of $5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent.

(n-1) The governing body of a school district, municipality, or county that adopted an exemption under Subsection (n) for the 2022 tax year may not reduce the amount of or repeal the exemption. This subsection expires December 31, 2027.

(o) For purposes of this section, a residence homestead also

may consist of an interest in real property created through ownership of stock in a corporation incorporated under the Cooperative Association Act (Article 1396-50.01, Vernon's Texas Civil Statutes) to provide dwelling places to its stockholders if:

(1) the interests of the stockholders of the corporation are appraised separately as provided by Section 23.19 of this code in the tax year to which the exemption applies;

(2) ownership of the stock entitles the owner to occupy a dwelling place owned by the corporation;

(3) the dwelling place is a structure or a separately secured and occupied portion of a structure; and

(4) the dwelling place is occupied as his principal residence by a stockholder who qualifies for the exemption.

(p) Exemption under this section for a homestead described by Subsection (o) of this section extends only to the dwelling place occupied as a residence homestead and to a portion of the total common area used in the residential occupancy that is equal to the percentage of the total amount of the stock issued by the corporation that is owned by the homestead claimant. The size of a residence homestead under Subsection (o) of this section, including any relevant portion of common area, may not exceed 20 acres.

(q) The surviving spouse of an individual who qualifies for an exemption under Subsection (d) for the residence homestead of a person 65 or older is entitled to an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased spouse qualified if:

(1) the deceased spouse died in a year in which the deceased spouse qualified for the exemption;

(2) the surviving spouse was 55 or older when the deceased spouse died; and

(3) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

(r) An individual who receives an exemption under Subsection (d) is not entitled to an exemption under Subsection (q).

Acts 1979, 66th Leg., p. 2234, ch. 841, Sec. 1, eff. Jan. 1, 1980.

Amended by Acts 1981, 67th Leg., 1st C.S., p. 127, ch. 13, Sec. 31, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 4822, ch. 851, Sec. 6, eff. Aug. 29, 1983; Acts 1985, 69th Leg., ch. 301, Sec. 1, eff. June 7, 1985; Acts 1987, 70th Leg., ch. 547, Sec. 1, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 20, Sec. 18, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 20, Sec. 19(a), eff. Jan. 1, 1992; Acts 1991, 72nd Leg., ch. 391, Sec. 14; Acts 1993, 73rd Leg., ch. 347, Sec. 4.08, eff. May 31, 1993; Acts 1993, 73rd Leg., ch. 854, Sec. 1, eff. Jan. 1, 1994; Acts 1995, 74th Leg., ch. 76, Sec. 15.01, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 610, Sec. 1, eff. Jan. 1, 1996; Acts 1997, 75th Leg., ch. 194, Sec. 1, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 592, Sec. 2.01; Acts 1997, 75th Leg., ch. 1039, Sec. 6, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1059, Sec. 2, eff. June 19, 1997; Acts 1997, 75th Leg., ch. 1071, Sec. 28, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1199, Sec. 1, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 1481, Sec. 1, eff. Jan. 1, 2000; Acts 2003, 78th Leg., ch. 240, Sec. 1, eff. June 18, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 159 (H.B. 3240), Sec. 1, eff. January 1, 2006.

Acts 2013, 83rd Leg., R.S., Ch. 699 (H.B. 2913), Sec. 6, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 391 (H.B. 1022), Sec. 1, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 465 (S.B. 1), Sec. 1, eff. November 3, 2015.

Acts 2015, 84th Leg., R.S., Ch. 1169 (S.B. 833), Sec. 1, eff. June 19, 2015.

Acts 2019, 86th Leg., R.S., Ch. 457 (H.B. 2441), Sec. 1, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 3, eff. September 1, 2019.

Acts 2021, 87th Leg., 3rd C.S., Ch. 4 (S.B. 1), Sec. 1, eff. May 7, 2022.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 3.01, eff. November 7, 2023.

Acts 2025, 89th Leg., R.S., Ch. 338 (S.B. 4), Sec. 1.01, eff.

November 4, 2025.

Acts 2025, 89th Leg., R.S., Ch. 340 (S.B. 23), Sec. 1.01, eff. November 4, 2025.

Sec. 11.131. RESIDENCE HOMESTEAD OF 100 PERCENT OR TOTALLY DISABLED VETERAN. (a) In this section:

(1) "Disabled veteran" has the meaning assigned by Section 11.22.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

(3) "Surviving spouse" means the individual who was married to a disabled veteran at the time of the veteran's death.

(b) A disabled veteran who has been awarded by the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

(c) The surviving spouse of a disabled veteran who qualified for an exemption under Subsection (b) when the disabled veteran died, or of a disabled veteran who would have qualified for an exemption under that subsection if that subsection had been in effect on the date the disabled veteran died, is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied, or to which the disabled veteran's exemption would have applied if the exemption had been authorized on the date the disabled veteran died, if:

(1) the surviving spouse has not remarried since the death of the disabled veteran; and

(2) the property:

(A) was the residence homestead of the surviving spouse when the disabled veteran died; and

(B) remains the residence homestead of the surviving spouse.

(d) If a surviving spouse who qualifies for an exemption under Subsection (c) subsequently qualifies a different property as

the surviving spouse's residence homestead, the surviving spouse is entitled to an exemption from taxation of the subsequently qualified homestead in an amount equal to the dollar amount of the exemption from taxation of the former homestead under Subsection (c) in the last year in which the surviving spouse received an exemption under that subsection for that homestead if the surviving spouse has not remarried since the death of the disabled veteran. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Added by Acts 2009, 81st Leg., R.S., Ch. 1405 (H.B. 3613), Sec. 1(a), eff. June 19, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1222 (S.B. 516), Sec. 1, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 1222 (S.B. 516), Sec. 2, eff. January 1, 2012.

Acts 2015, 84th Leg., R.S., Ch. 702 (H.B. 992), Sec. 1, eff. January 1, 2016.

Acts 2021, 87th Leg., R.S., Ch. 853 (S.B. 794), Sec. 1, eff. January 1, 2022.

Sec. 11.132. DONATED RESIDENCE HOMESTEAD OF PARTIALLY DISABLED VETERAN. (a) In this section:

(1) "Charitable organization" means an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code.

(2) "Disability rating" and "disabled veteran" have the meanings assigned by Section 11.22.

(3) "Residence homestead" has the meaning assigned by Section 11.13.

(4) "Surviving spouse" has the meaning assigned by Section 11.131.

(b) A disabled veteran who has a disability rating of less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization:

(1) at no cost to the disabled veteran; or

(2) at some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

(c) The surviving spouse of a disabled veteran who qualified for an exemption under Subsection (b) of a percentage of the appraised value of the disabled veteran's residence homestead when the disabled veteran died is entitled to an exemption from taxation of the same percentage of the appraised value of the same property to which the disabled veteran's exemption applied if:

(1) the surviving spouse has not remarried since the death of the disabled veteran; and

(2) the property:

(A) was the residence homestead of the surviving spouse when the disabled veteran died; and

(B) remains the residence homestead of the surviving spouse.

(d) If a surviving spouse who qualifies for an exemption under Subsection (c) subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is entitled to an exemption from taxation of the subsequently qualified residence homestead in an amount equal to the dollar amount of the exemption from taxation of the former residence homestead under Subsection (c) in the last year in which the surviving spouse received an exemption under that subsection for that residence homestead if the surviving spouse has not remarried since the death of the disabled veteran. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a

written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified residence homestead.

Added by Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. 97), Sec. 1, eff. January 1, 2014.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1131 (H.B. 150), Sec. 1, eff. January 1, 2018.

Sec. 11.133. RESIDENCE HOMESTEAD OF SURVIVING SPOUSE OF MEMBER OF ARMED SERVICES KILLED IN LINE OF DUTY. (a) In this section:

(1) "Residence homestead" has the meaning assigned by Section 11.13.

(2) "Surviving spouse" means the individual who was married to a member of the armed services of the United States at the time of the member's death.

(b) The surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the member of the armed services.

(c) A surviving spouse who receives an exemption under Subsection (b) for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption under Subsection (b) in the last year in which the surviving spouse received that exemption if the surviving spouse has not remarried since the death of the member of the armed services. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving

spouse is entitled on the subsequently qualified homestead.

Added by Acts 2013, 83rd Leg., R.S., Ch. 138 (S.B. 163), Sec. 1, eff. January 1, 2014.

Redesignated from Tax Code, Section 11.132 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(44), eff. September 1, 2015.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 575 (S.B. 611), Sec. 1, eff. January 1, 2022.

Acts 2021, 87th Leg., R.S., Ch. 575 (S.B. 611), Sec. 2, eff. January 1, 2022.

Sec. 11.134. RESIDENCE HOMESTEAD OF SURVIVING SPOUSE OF FIRST RESPONDER KILLED IN LINE OF DUTY. (a) In this section:

(1) "First responder" means an individual listed under Section 615.003, Government Code.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

(3) "Surviving spouse" means the individual who was married to a first responder at the time of the first responder's death.

(b) The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse:

(1) is an eligible survivor for purposes of Chapter 615, Government Code, as determined by the Employees Retirement System of Texas under that chapter; and

(2) has not remarried since the death of the first responder.

(c) The exemption provided by this section applies regardless of the date of the first responder's death if the surviving spouse otherwise meets the qualifications of this section.

(d) A surviving spouse who receives an exemption under Subsection (b) for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse

subsequently qualifies as the surviving spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption under Subsection (b) in the last year in which the surviving spouse received that exemption if the surviving spouse has not remarried since the death of the first responder. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.
Added by Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. 15), Sec. 1, eff. January 1, 2018.

Sec. 11.135. CONTINUATION OF RESIDENCE HOMESTEAD EXEMPTION WHILE REPLACEMENT STRUCTURE IS CONSTRUCTED; SALE OF PROPERTY. (a) If a qualified residential structure for which the owner receives an exemption under Section 11.13 is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner may continue to receive the exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land if the owner does not establish a different principal residence for which the owner receives an exemption under Section 11.13 during that period and intends to return and occupy the structure as the owner's principal residence. To continue to receive the exemption, the owner must begin active construction of the replacement qualified residential structure or other physical preparation of the site on which the structure is to be located not later than the first anniversary, or the fifth anniversary for a property described by Subsection (a-1)(1), of the date the owner ceases to occupy the former qualified residential structure as the owner's principal residence.

(a-1) An owner may not receive an exemption under Section 11.13 for property under the circumstances described by Subsection (a) for more than:

(1) five years if:

(A) the property is located in an area declared to be a disaster area by the governor following a disaster; and

(B) the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster; or

(2) two years if Subdivision (1) does not apply.

(b) For purposes of Subsection (a), the site of a replacement qualified residential structure is under physical preparation if the owner has engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the structure or has conducted an environmental or land use study relating to the construction of the structure.

(c) If an owner receives an exemption for property under Section 11.13 under the circumstances described by Subsection (a) and sells the property before the owner completes construction of a replacement qualified residential structure on the property, an additional tax is imposed on the property equal to the difference between the taxes imposed on the property for each of the years in which the owner received the exemption and the tax that would have been imposed had the owner not received the exemption in each of those years, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due.

(d) A tax lien attaches to property on the date a sale under the circumstances described by Subsection (c) occurs to secure payment of the additional tax and interest imposed by that subsection and any penalties incurred. The lien exists in favor of all taxing units for which the additional tax is imposed.

(e) A determination that a sale of property under the circumstances described by Subsection (c) has occurred is made by the chief appraiser. The chief appraiser shall deliver a notice of the determination to the owner of the property as soon as possible after making the determination and shall include in the notice an explanation of the owner's right to protest the determination. If the owner does not file a timely protest or if the final

determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes plus interest as soon as practicable. The taxes and interest are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the property.

(f) The sanctions provided by Subsection (c) do not apply if the sale is:

(1) for right-of-way; or

(2) to this state or a political subdivision of this state to be used for a public purpose.

(g) The comptroller shall adopt rules and forms to implement this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 359 (H.B. 1257), Sec. 1(a), eff. June 19, 2009.

Added by Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 2, eff. January 1, 2010.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 422 (S.B. 443), Sec. 1, eff. June 4, 2019.

Sec. 11.136. RESIDENCE HOMESTEADS OF SURVIVING SPOUSES OF CERTAIN QUALIFYING VETERANS. (a) In this section:

(1) "Qualifying condition or disease" means a condition or disease for which the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (Pub. L. No. 117-168) or a regulation adopted under that Act establishes a presumption of service connection.

(2) "Qualifying veteran" means a veteran of the armed services of the United States who died as a result of a qualifying condition or disease, regardless of the veteran's disability rating at the time of the veteran's death.

(3) "Residence homestead" has the meaning assigned by Section 11.13.

(4) "Surviving spouse" means the individual who was

married to a qualifying veteran at the time of the veteran's death.

(b) The surviving spouse of a qualifying veteran is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the veteran.

(c) The exemption provided by this section applies regardless of the date of the veteran's death if the surviving spouse otherwise meets the qualifications of this section.

(d) A surviving spouse who receives an exemption under Subsection (b) for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption under Subsection (b) in the last year in which the surviving spouse received that exemption if the surviving spouse has not remarried since the death of the veteran. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Added by Acts 2025, 89th Leg., R.S., Ch. 592 (H.B. 2508), Sec. 1, eff. January 1, 2026.

Sec. 11.14. TANGIBLE PERSONAL PROPERTY NOT PRODUCING INCOME. (a) A person is entitled to an exemption from taxation of all tangible personal property, other than manufactured homes, that the person owns and that is not held or used for production of income. This subsection does not exempt from taxation a structure that a person owns which is substantially affixed to real estate and is used or occupied as a residential dwelling.

(b) In this section:

(1) "Manufactured home" has the meaning assigned by Section 11.432.

(2) "Structure" does not include a vehicle that:

(A) is a trailer-type unit designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use;

(B) is built on a single chassis mounted on wheels;

(C) has a gross trailer area in the set-up mode of 400 square feet or less; and

(D) is certified by the manufacturer as complying with American National Standards Institute Standard A119.5.

(c) The governing body of a taxing unit, by resolution or order, depending upon the method prescribed by law for official action by that governing body, may provide for taxation of tangible personal property exempted under Subsection (a). If a taxing unit provides for taxation of tangible personal property as provided by this subsection, the exemption prescribed by Subsection (a) does not apply to that unit.

(d) The central appraisal district for the county shall determine the cost of appraising tangible personal property required by a taxing unit under the provisions of Subsection (c) and shall assess those costs to the taxing unit or taxing units which provide for the taxation of tangible personal property.

(e) A political subdivision choosing to tax property otherwise made exempt by this section, pursuant to Article VIII, Section 1(e), of the Texas Constitution, may not do so until the governing body of the political subdivision has held a public hearing on the matter, after having given notice of the hearing at the times and in the manner required by this subsection, and has found that the action will be in the public interest of all the residents of that political subdivision. At the hearing, all interested persons are entitled to speak and present evidence for or against taxing the property. Not later than the 30th day prior to the date of a hearing held under this subsection, notice of the hearing must be:

(1) published in a newspaper having general circulation in the political subdivision and in a section of the newspaper other than the advertisement section;

(2) not less than one-half of one page in size; and

(3) republished on not less than three separate days during the period beginning with the 10th day prior to the hearing and ending with the actual date of the hearing.

Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1987, 70th Leg., ch. 181, Sec. 1, eff. May 26, 1987; Acts 1989, 71st Leg., ch. 76, Sec. 1, eff. Jan. 1, 1990; Acts 1991, 72nd Leg., ch. 391, Sec. 15, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 4.09, eff. May 31, 1993; Acts 2001, 77th Leg., ch. 521, Sec. 1, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 5, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1216 (H.B. 1928), Sec. 1, eff. January 1, 2009.

Sec. 11.141. PRECIOUS METAL HELD IN PRECIOUS METAL DEPOSITORY. (a) For purposes of this section:

(1) "Precious metal" has the meaning assigned by Section 2116.001, Government Code.

(2) "Precious metal depository" means a depository that:

(A) is primarily engaged in the business of providing precious metal storage to the general public; and

(B) maintains sufficient insurance to cover precious metal deposited in the depository.

(b) A person is entitled to an exemption from taxation of the precious metal that the person owns and that is held in a precious metal depository located in this state, regardless of whether the precious metal is held or used by the person for the production of income.

(c) Notwithstanding Section 11.14(c), the governing body of a taxing unit may not provide for the taxation of precious metal exempted from taxation under Subsection (b).

Added by Acts 2019, 86th Leg., R.S., Ch. 459 (H.B. 2859), Sec. 1, eff. January 1, 2020.

Sec. 11.145. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY. (a) In this section:

(1) "Related business entity" means a business entity that:

(A) engages in a common business enterprise with at least one other business entity; and

(B) owns tangible personal property that:

(i) is held or used for the production of income as part of the common business enterprise; and

(ii) is located at the same physical address that tangible personal property owned by at least one other business entity engaged in the common business enterprise is located.

(2) "Unified business enterprise" means a common business enterprise composed of more than one related business entity.

(b) Subject to Subsection (f) and except as provided by Subsection (d), a person is entitled to an exemption from taxation by a taxing unit of $125,000 of the appraised value of the tangible personal property the person owns that is held or used for the production of income and has taxable situs at the same location in the taxing unit.

(c) The exemption provided by Subsection (b) applies to each separate location in a taxing unit in which a person holds or uses tangible personal property for the production of income, and, for the purposes of Subsection (b), all property that has taxable situs in each separate location in the taxing unit is aggregated to determine taxable value.

(d) A person who leases tangible personal property is entitled to an exemption from taxation by a taxing unit of $125,000 of the total appraised value of all the tangible personal property the person owns that is held or used for the production of income and is subject to a lease, regardless of where the property is located in the taxing unit.

(d-1) Notwithstanding Subsections (b) and (d), a person is entitled to an exemption from taxation by a taxing unit of $125,000 of the total appraised value of all the tangible personal property the person owns that is held or used for the production of income in the taxing unit if the property has taxable situs within the taxing

unit at any location that is not owned or leased by the owner, regardless of where the property is located within the taxing unit.

(e) The exemptions provided by Subsections (d) and (d-1) apply to each separate taxing unit in which a person holds or uses tangible personal property for the production of income.

(f) For the purposes of Subsection (b), if a person is a related business entity, all property described by that subsection that has taxable situs at the same location in a taxing unit and that is owned by the person is aggregated with the property described by that subsection that has taxable situs at the same location in the taxing unit and that is owned by each other related business entity that composes the same unified business enterprise to determine taxable value for the entity.

(g) A chief appraiser may investigate a business entity to determine whether the entity:

(1) is a related business entity; and

(2) has aggregated tangible personal property as provided by Subsection (f).

Added by Acts 1995, 74th Leg., ch. 296, Sec. 1, eff. Jan. 1, 1996.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 400 (S.B. 1449), Sec. 1, eff. January 1, 2022.

Acts 2021, 87th Leg., R.S., Ch. 400 (S.B. 1449), Sec. 2, eff. January 1, 2022.

Acts 2025, 89th Leg., R.S., Ch. 334 (H.B. 9), Sec. 1, eff. January 1, 2026.

Sec. 11.146. MINERAL INTEREST HAVING VALUE OF LESS THAN $500. (a) A person is entitled to an exemption from taxation of a mineral interest the person owns if the interest has a taxable value of less than $500.

(b) The exemption provided by Subsection (a) applies to each separate taxing unit in which a person owns a mineral interest and, for the purposes of Subsection (a), all mineral interests in each taxing unit are aggregated to determine value.

Added by Acts 1995, 74th Leg., ch. 296, Sec. 1, eff. Jan. 1, 1996.

Sec. 11.15. FAMILY SUPPLIES. A family is entitled to an exemption from taxation of its family supplies for home or farm use.
Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980.

Sec. 11.16. FARM PRODUCTS. (a) A producer is entitled to an exemption from taxation of the farm products that the producer produces and owns. A nursery product, as defined by Section 71.041, Agriculture Code, is a farm product for purposes of this section if it is in a growing state. An egg, as defined by Section 132.001, Agriculture Code, is a farm product for purposes of this section, regardless of whether the egg is packaged.

(b) Farm products in the hands of the producer are exempt.

(c) For purposes of this exemption, the following definitions apply:

(1) "Farm products" include livestock, poultry, and timber.

(2) "In the hands of the producer," for livestock, poultry, and eggs, means under the ownership of the person who is financially providing for the physical requirements of such livestock, poultry, and eggs on January 1 of the tax year and, for timber, means standing timber or timber that has been harvested and, on January 1 of the tax year, is located on the real property on which it was produced and is under the ownership of the person who owned the timber when it was standing.

Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., p. 457, ch. 192, Sec. 1, eff. Jan. 1, 1982; Acts 1981, 67th Leg. p. 1487, ch. 388, Sec. 3, eff. Sept. 1, 1981; Acts 1999, 76th Leg., ch. 631, Sec. 2, eff. Jan. 1, 2000.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 88 (H.B. 275), Sec. 1, eff. January 1, 2016.

Sec. 11.161. IMPLEMENTS OF HUSBANDRY. (a) Machinery and equipment items that are used in the production of farm or ranch products or of timber, regardless of their primary design, are considered to be implements of husbandry and are exempt from ad valorem taxation.

(b) For purposes of Subsection (a), a nursery stock weather protection unit, as defined by Section 71.041, Agriculture Code, is considered to be an implement of husbandry.

Added by Acts 1981, 67th Leg., 1st C.S., p. 127, ch. 13, Sec. 32, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 4823, ch. 851, Sec. 7, eff. Aug. 29, 1983; Acts 1991, 72nd Leg., ch. 16, Sec. 17.01, eff. Aug. 26, 1991; Acts 1999, 76th Leg., ch. 631, Sec. 3, eff. Jan. 1, 2000.

Amended by:

Acts 2005, 79th Leg., Ch. 412 (S.B. 1652), Sec. 6, eff. January 1, 2006.

Acts 2019, 86th Leg., R.S., Ch. 370 (H.B. 1526), Sec. 1, eff. January 1, 2020.

Sec. 11.162. ANIMAL FEED HELD FOR SALE AT RETAIL. The owner of tangible personal property consisting of animal feed exempted from sales and use taxes under Section 151.316(a)(3) or (4) is entitled to an exemption from ad valorem taxation of the appraised value of the tangible personal property if the property is held by the owner for sale at retail.

Added by Acts 2025, 89th Leg., R.S., Ch. 120 (H.B. 1399), Sec. 1, eff. January 1, 2026.

Sec. 11.17. CEMETERIES. A person is entitled to an exemption from taxation of the property he owns and uses exclusively for human burial and does not hold for profit.

Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980.

Sec. 11.18. CHARITABLE ORGANIZATIONS. (a) An organization that qualifies as a charitable organization as provided by this section is entitled to an exemption from taxation of:

(1) the buildings and tangible personal property that:

(A) are owned by the charitable organization; and

(B) except as permitted by Subsection (b), are used exclusively by qualified charitable organizations;

(2) the real property owned by the charitable

organization consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used exclusively by qualified charitable organizations; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by qualified charitable organizations; and

(3) if the charitable organization is described by Subsection (d)(1), (2), (3)(A)(ii), (5), (8), (13), (15), or (19), the real property owned by the charitable organization consisting of an interest in a mineral in place, including a royalty interest, provided that the interest:

(A) is not severed from the surface estate; or

(B) was donated to the charitable organization by the previous owner of the interest.

(b) Use of exempt property by persons who are not charitable organizations qualified as provided by this section does not result in the loss of an exemption authorized by this section if the use is incidental to use by qualified charitable organizations and limited to activities that benefit the beneficiaries of the charitable organizations that own or use the property.

(c) To qualify as a charitable organization for the purposes of this section, an organization, whether operated by an individual, or as a corporation, foundation, trust, or association, must meet the applicable requirements of Subsections (d), (e), (f), and (g).

(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 or dependent children in need of residential care, children with disabilities 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:

(A) elderly persons, including the provision of:

(i) recreational or social activities; and

(ii) facilities designed to address the special needs of elderly persons; or

(B) persons with disabilities, including training and employment:

(i) in the production of commodities; or

(ii) in the provision of services under 41 U.S.C. Sections 8501-8506;

(4) preserving a historical landmark or site;

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

(6) promoting or providing humane treatment of animals;

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

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

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

(10) preserving or conserving wildlife;

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

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

(13) providing permanent housing and related social,

health care, and educational facilities for persons who are 62 years of age or older:

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

(B) as an organization that provides charitable housing and services in an amount that is not less than four percent of the charitable organization's net resident revenue;

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

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

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

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

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

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

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

(B) in which at least four percent of the

retirement community's combined net resident revenue is provided in charitable care to its residents; or

(C) as an organization that provides charitable housing and services in an amount that is not less than four percent of the charitable organization's net resident revenue;

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

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

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

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

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

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

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

(23) providing housing and related services to individuals who:

(A) are unaccompanied and homeless and have a disabling condition; and

(B) have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years;

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

amended;

(25) providing, without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters; or

(26) providing services related to planning for the placement of or placing children in foster or adoptive homes or providing support or relief to women who are or may be pregnant and who are considering placing their unborn children for adoption.

(e) A charitable organization must be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain and, if the organization performs one or more of the charitable functions specified by Subsection (d) other than a function specified by Subdivision (1), (2), (8), (9), (12), (16), or (18), be organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes).

(f) A charitable organization must:

(1) use its assets in performing the organization's charitable functions or the charitable functions of another charitable organization; and

(2) by charter, bylaw, or other regulation adopted by the organization to govern its affairs direct that on discontinuance of the organization by dissolution or otherwise:

(A) the assets are to be transferred to this state, the United States, or an educational, religious, charitable, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986, as amended; or

(B) if required for the organization to qualify as a tax-exempt organization under Section 501(c)(12), Internal Revenue Code of 1986, as amended, the assets are to be transferred directly to the organization's members, each of whom, by application for an acceptance of membership in the organization, has agreed to immediately transfer those assets to this state or to

an educational, religious, charitable, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986, as amended, as designated in the bylaws, charter, or regulation adopted by the organization.

(g) A charitable organization that performs a charitable function specified by Subsection (d)(15) must:

(1) be affiliated with a state or national organization that authorizes, approves, or sanctions volunteer charitable fundraising organizations;

(2) qualify for exemption under Section 501(c)(3), Internal Revenue Code of 1986, as amended;

(3) be governed by a volunteer board of directors; and

(4) distribute contributions to at least five other associations to be used for general charitable purposes, with all recipients meeting the following criteria:

(A) be governed by a volunteer board of directors;

(B) qualify for exemption under Section 501(c)(3), Internal Revenue Code of 1986, as amended;

(C) receive a majority of annual revenue from private or corporate charitable gifts and government agencies; and

(D) provide services without regard to the ability of persons receiving the services to pay for the services.

(h) Performance of noncharitable functions by a charitable organization that owns or uses exempt property does not result in loss of an exemption authorized by this section if those other functions are incidental to the organization's charitable functions. The division of responsibilities between an organization that qualifies as a charitable organization under Subsection (c) and another organization will not disqualify the organizations or any property owned or used by either organization from receiving an exemption under this section if the collaboration furthers the provision of one or more of the charitable functions described in Subsection (d) and if the other organization:

(1) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization

described by Section 501(c)(3) of that code;

(2) meets the criteria for a charitable organization under Subsections (e) and (f); and

(3) is under common control with the charitable organization described in this subsection.

(i) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

(j) The exemption of an organization preserving or conserving wildlife is limited to land and improvements and may not exceed 1,000 acres in any one county.

(k) In connection with a nursing home or retirement community, for purposes of Subsection (d):

(1) "Assisted living services" means responsible adult supervision of or assistance with routine living functions of an individual in instances where the individual's condition necessitates that supervision or assistance.

(1-a) "Charitable housing and services" means the following provided by a charitable organization to a person 62 years of age or older in financial need:

(A) housing, including as an independent living facility, assisted living facility, or nursing facility; and

(B) any service designed to meet the unique needs of a person 62 years of age or older, including:

(i) ministerial services;

(ii) government-sponsored indigent health care;

(iii) social services;

(iv) health services;

(v) educational services; and

(vi) donations to an organization that qualifies for an exemption under Subsection (d)(13) or (19).

(2) "Charity care," "government-sponsored indigent health care," and "net resident revenue" are determined in the same manner for a retirement community or nursing home as "charity care," "government-sponsored indigent health care," and "net patient revenue," respectively, are determined for a hospital under

Section 11.1801(a)(2).

(3) "Nursing care services" includes services provided by nursing personnel, including patient observation, the promotion and maintenance of health, prevention of illness or disability, guidance and counseling to individuals and families, and referral of patients to physicians, other health care providers, or community resources if appropriate.

(4) "Retirement community" means a collection of various types of housing that are under common ownership and designed for habitation by individuals over the age of 62.

(5) "Single campus" means a facility designed to provide multiple levels of retirement housing that is geographically situated on a site at which all levels of housing are contiguous to each other on a single property.

(k-1) Notwithstanding any other provision of this section, to be entitled to an exemption from taxation under this section as an organization that performs a charitable function described by Subsection (d)(13) or (19) in the manner described by Subsection (d)(13)(B) or (19)(C), respectively, a charitable organization must:

(1) have been in existence for at least 20 years; or

(2) be under common control with an organization that:

(A) is described by Subdivision (1); and

(B) performs a charitable function described by Subsection (d).

(l) A charitable organization described by Subsection (d)(3) that provides support to elderly persons must engage primarily in performing charitable functions described by Subsection (d)(3), but may engage in other activities that support or are related to its charitable functions.

(m) A property may not be exempted under Subsection (a)(2) for more than three years.

(n) For purposes of Subsection (a)(2), an incomplete improvement is under physical preparation if the charitable organization has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work

necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

(o) For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21) or (22) is considered to be used exclusively by the qualified charitable organization to perform that function.

(p) The exemption authorized by Subsection (d)(23) applies only to property that:

(1) is owned by a charitable organization that has been in existence for at least:

(A) 20 years if the property is located in a county described by Subdivision (4)(A); or

(B) two years if the property is located in a municipality described by Subdivision (4)(B);

(2) is located on a tract of land that:

(A) is at least 15 acres in size; and

(B) was either:

(i) owned by the organization on July 1, 2021; or

(ii) acquired by donation and owned by the organization on January 1, 2023;

(3) is used to provide permanent housing and related services to individuals described by that subsection; and

(4) is located in:

(A) a county with a population of more than 1.2 million and less than 1.5 million; or

(B) a municipality with a population of more than 100,000 and less than 150,000 at least part of which is located in a county with a population of less than 5,500.

(p-1) Notwithstanding Subsection (a)(1), the exemption authorized by Subsection (d)(23) applies to real property regardless of whether the real property is considered to constitute a building within the meaning of this section.

(q) Real property owned by a charitable organization and leased to an institution of higher education, as defined by Section

61.003, Education Code, is exempt from taxation to the same extent as the property would be exempt if the property were owned by the institution.

Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 127, ch. 13, Sec. 33, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 2207, ch. 412, Sec. 1, eff. Jan. 1, 1984; Acts 1985, 69th Leg., ch. 960, Sec. 1, eff. Jan. 1, 1986; Acts 1987, 70th Leg., ch. 430, Sec. 1, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 407, Sec. 1, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 360, Sec. 5, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 471, Sec. 1, eff. Jan. 1, 1996; Acts 1995, 74th Leg., ch. 781, Sec. 4, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 715, Sec. 1, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1039, Sec. 7, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 1, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 138, Sec. 1, eff. May 18, 1999; Acts 1999, 76th Leg., ch. 266, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 924, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1443, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1420, Sec. 18.001(a), eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 288, Sec. 1.01, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.01, eff. Jan. 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1034 (H.B. 1742), Sec. 13, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1341 (S.B. 1908), Sec. 34, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 22.002, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1246 (S.B. 2442), Sec. 1, eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. 1246 (S.B. 2442), Sec. 2, eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. 1314 (H.B. 2628), Sec. 1, eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. 1314 (H.B. 2628), Sec. 2, eff. January 1, 2010.

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 23.001,

eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(55), eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 113, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 849 (H.B. 294), Sec. 1, eff. January 1, 2014.

Acts 2017, 85th Leg., R.S., Ch. 1123 (S.B. 1345), Sec. 1, eff. January 1, 2018.

Acts 2021, 87th Leg., R.S., Ch. 628 (H.B. 115), Sec. 1, eff. January 1, 2022.

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 216, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 664 (H.B. 456), Sec. 1, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1140 (S.B. 719), Sec. 1, eff. January 1, 2024.

Acts 2025, 89th Leg., R.S., Ch. 941 (H.B. 2525), Sec. 1, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 941 (H.B. 2525), Sec. 2, eff. January 1, 2026.

Sec. 11.1801. CHARITY CARE AND COMMUNITY BENEFITS REQUIREMENTS FOR CHARITABLE HOSPITAL. (a) To qualify as a charitable organization under Section 11.18(d)(1), a nonprofit hospital or hospital system must provide charity care and community benefits as follows:

(1) charity care and government-sponsored indigent health care must be provided at a level that is reasonable in relation to the community needs, as determined through the community needs assessment, the available resources of the hospital or hospital system, and the tax-exempt benefits received by the hospital or hospital system;

(2) charity care and government-sponsored indigent health care must be provided in an amount equal to at least four percent of the hospital's or hospital system's net patient revenue;

(3) charity care and government-sponsored indigent

health care must be provided in an amount equal to at least 100 percent of the hospital's or hospital system's tax-exempt benefits, excluding federal income tax; or

(4) charity care and community benefits must be provided in a combined amount equal to at least five percent of the hospital's or hospital system's net patient revenue, provided that charity care and government-sponsored indigent health care are provided in an amount equal to at least four percent of net patient revenue.

(b) A nonprofit hospital that has been designated as a disproportionate share hospital under the state Medicaid program in the current year or in either of the previous two fiscal years shall be considered to have provided a reasonable amount of charity care and government-sponsored indigent health care and is considered to be in compliance with the standards in Subsection (a).

(c) A hospital operated on a nonprofit basis that is located in a county with a population of less than 58,000 and in which the entire county or the population of the entire county has been designated as a health professionals shortage area is considered to be in compliance with the standards in Subsection (a).

(d) A hospital providing health care services to inpatients or outpatients without receiving any payment for providing those services from any source, including the patient or person legally obligated to support the patient, third-party payors, Medicare, Medicaid, or any other state or local indigent care program but excluding charitable donations, legacies, bequests, or grants or payments for research, is considered to be in compliance with the standards in Subsection (a).

(e) For purposes of complying with Subsection (a)(4), a hospital or hospital system may not change its existing fiscal year unless the hospital or hospital system changes its ownership or corporate structure as a result of a sale or merger.

(f) For purposes of this section, a hospital that complies with Subsection (a)(1) or that is considered to be in compliance with the standards in Subsection (a) under Subsection (b), (c), or (d) shall be excluded in determining a hospital system's compliance with the standards in Subsection (a)(2), (3), or (4).

(g) For purposes of this section, "charity care," "government-sponsored indigent health care," "health care organization," "hospital system," "net patient revenue," "nonprofit hospital," and "tax-exempt benefits" have the meanings assigned by Sections 311.031 and 311.042, Health and Safety Code. A determination of the amount of community benefits and charity care and government-sponsored indigent health care provided by a hospital or hospital system and the hospital's or hospital system's compliance with Section 311.045, Health and Safety Code, shall be based on the most recently completed and audited prior fiscal year of the hospital or hospital system.

(h) The providing of charity care and government-sponsored indigent health care in accordance with Subsection (a)(1) shall be guided by the prudent business judgment of the hospital, which will ultimately determine the appropriate level of charity care and government-sponsored indigent health care based on the community needs, the available resources of the hospital, the tax-exempt benefits received by the hospital, and other factors that may be unique to the hospital, such as the hospital's volume of Medicare and Medicaid patients. These criteria shall not be determinative factors, but shall be guidelines contributing to the hospital's decision along with other factors that may be unique to the hospital. The formulas in Subsections (a)(2), (3), and (4) shall also not be considered determinative of a reasonable amount of charity care and government-sponsored indigent health care.

(i) The requirements of this section shall not apply to the extent a hospital or hospital system demonstrates that reductions in the amount of community benefits, charity care, and government-sponsored indigent health care are necessary to maintain financial reserves at a level required by a bond covenant or are necessary to prevent the hospital or hospital system from endangering its ability to continue operations, or if the hospital or hospital system, as a result of a natural or other disaster, is required substantially to curtail its operations.

(j) In any fiscal year that a hospital or hospital system, through unintended miscalculation, fails to meet any of the standards in Subsection (a) or fails to be considered to be in

compliance with the standards in Subsection (a) under Subsection (b), (c), or (d), the hospital or hospital system shall not lose its tax-exempt status without the opportunity to cure the miscalculation in the fiscal year following the fiscal year the failure is discovered by both meeting one of the standards and providing an additional amount of charity care and government-sponsored indigent health care that is equal to the shortfall from the previous fiscal year. A hospital or hospital system may apply this provision only once every five years.

Acts 1979, 66th Leg., p. 2236, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 127, ch. 13, Sec. 33, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 2207, ch. 412, Sec. 1, eff. Jan. 1, 1984; Acts 1985, 69th Leg., ch. 960, Sec. 1, eff. Jan. 1, 1986; Acts 1987, 70th Leg., ch. 430, Sec. 1, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 407, Sec. 1, eff. Jan. 1, 1992. Amended by Acts 1993, 73rd Leg., ch. 360, Sec. 5, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 471, Sec. 1, eff. Jan. 1, 1996; Acts 1995, 74th Leg., ch. 781, Sec. 4, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 715, Sec. 1, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1039, Sec. 7, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 1, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 138, Sec. 1, eff. May 18, 1999; Acts 1999, 76th Leg., ch. 266, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 924, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1443, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 669, Sec. 118, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1420, Sec. 18.001(a), eff. Sept. 1, 2001.

Sec. 11.181. CHARITABLE ORGANIZATIONS IMPROVING PROPERTY FOR LOW-INCOME HOUSING. (a) An organization is entitled to an exemption from taxation of improved or unimproved real property it owns if the organization:

(1) meets the requirements of a charitable organization provided by Sections 11.18(e) and (f);

(2) owns the property for the purpose of building or repairing housing on the property primarily with volunteer labor to sell without profit to an individual or family satisfying the organization's low-income and other eligibility requirements; and

(3) engages exclusively in the building, repair, and sale of housing as described by Subdivision (2), and related activities.

(b) Property may not be exempted under Subsection (a) after the fifth anniversary of the date the organization acquires the property. Property that received an exemption under Section 11.1825 and that was subsequently transferred by the organization described by that section that qualified for the exemption to an organization described by this section may not be exempted under Subsection (a) after the fifth anniversary of the date the transferring organization acquired the property.

(c) An organization entitled to an exemption under Subsection (a) is also entitled to an exemption from taxation of any building or tangible personal property the organization owns and uses in the administration of its acquisition, building, repair, or sale of property. To qualify for an exemption under this subsection, property must be used exclusively by the charitable organization, except that another individual or organization may use the property for activities incidental to the charitable organization's use that benefit the beneficiaries of the charitable organization.

(d) For the purposes of Subsection (e), the chief appraiser shall determine the market value of property exempted under Subsection (a) and shall record the market value in the appraisal records.

(e) If the organization that owns improved or unimproved real property that has been exempted under Subsection (a) sells the property to a person other than an individual or family satisfying the organization's low-income or other eligibility requirements, a penalty is imposed on the property equal to the amount of the taxes that would have been imposed on the property in each tax year that the property was exempted from taxation under Subsection (a), plus interest at an annual rate of 12 percent calculated from the dates on which the taxes would have become due.

(f) The charitable organization and the purchaser of the property from that organization are jointly and severally liable for the penalty and interest imposed under Subsection (e). A tax

lien in favor of all taxing units for which the penalty is imposed attaches to the property to secure payment of the penalty and interest.

(g) The chief appraiser shall make an entry in the appraisal records for the property against which a penalty under Subsection (e) is imposed and shall deliver written notice of the imposition of the penalty and interest to the charitable organization and to the person who purchased the property from that organization.

Added by Acts 1993, 73rd Leg., ch. 345, Sec. 1, eff. Jan. 1, 1994.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1137 (H.B. 2555), Sec. 1, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1309 (H.B. 3133), Sec. 1, eff. June 17, 2011.

Sec. 11.182. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS IMPROVING PROPERTY FOR LOW-INCOME AND MODERATE-INCOME HOUSING: PROPERTY PREVIOUSLY EXEMPT. (a) In this section:

(1) "Cash flow" means the amount of money generated by a housing project for a fiscal year less the disbursements for that fiscal year for operation and maintenance of the project, including:

(A) standard property maintenance;

(B) debt service;

(C) employee compensation;

(D) fees required by government agencies;

(E) expenses incurred in satisfaction of requirements of lenders, including reserve requirements;

(F) insurance; and

(G) other justifiable expenses related to the operation and maintenance of the project.

(2) "Community housing development organization" has the meaning assigned by 42 U.S.C. Section 12704.

(b) An organization is entitled to an exemption from taxation of improved or unimproved real property it owns if the organization:

(1) is organized as a community housing development

organization;

(2) meets the requirements of a charitable organization provided by Sections 11.18(e) and (f);

(3) owns the property for the purpose of building or repairing housing on the property to sell without profit to a low-income or moderate-income individual or family satisfying the organization's eligibility requirements or to rent without profit to such an individual or family; and

(4) engages exclusively in the building, repair, and sale or rental of housing as described by Subdivision (3) and related activities.

(c) Property owned by the organization may not be exempted under Subsection (b) after the third anniversary of the date the organization acquires the property unless the organization is offering to rent or is renting the property without profit to a low-income or moderate-income individual or family satisfying the organization's eligibility requirements.

(d) A multifamily rental property consisting of 36 or more dwelling units owned by the organization that is exempted under Subsection (b) may not be exempted in a subsequent tax year unless in the preceding tax year the organization spent, for eligible persons in the county in which the property is located, an amount equal to at least 40 percent of the total amount of taxes that would have been imposed on the property in that year without the exemption on social, educational, or economic development services, capital improvement projects, or rent reduction. This subsection does not apply to property acquired by the organization using tax-exempt bond financing after January 1, 1997, and before December 31, 2001.

(e) In addition to meeting the applicable requirements of Subsections (b) and (c), to receive an exemption under Subsection (b) for improved real property that includes a housing project constructed after December 31, 2001, and financed with qualified 501(c)(3) bonds issued under Section 145 of the Internal Revenue Code of 1986, tax-exempt private activity bonds subject to volume cap, or low-income housing tax credits, the organization must:

(1) control 100 percent of the interest in the general partner if the project is owned by a limited partnership;

(2) comply with all rules of and laws administered by the Texas Department of Housing and Community Affairs applicable to community housing development organizations; and

(3) submit annually to the Texas Department of Housing and Community Affairs and to the governing body of each taxing unit for which the project receives an exemption for the housing project evidence demonstrating that the organization spent an amount equal to at least 90 percent of the project's cash flow in the preceding fiscal year as determined by the audit required by Subsection (g), for eligible persons in the county in which the property is located, on social, educational, or economic development services, capital improvement projects, or rent reduction.

(f) An organization entitled to an exemption under Subsection (b) is also entitled to an exemption from taxation of any building or tangible personal property the organization owns and uses in the administration of its acquisition, building, repair, sale, or rental of property. To qualify for an exemption under this subsection, property must be used exclusively by the organization, except that another person may use the property for activities incidental to the organization's use that benefit the beneficiaries of the organization.

(g) To receive an exemption under Subsection (b) or (f), an organization must annually:

(1) have an audit prepared by an independent auditor that includes a detailed report on the organization's sources and uses of funds; and

(2) deliver a copy of the audit to the Texas Department of Housing and Community Affairs and to the chief appraiser of the appraisal district in which the property subject to the exemption is located.

(h) Subsections (d) and (e)(3) do not apply to property owned by an organization if:

(1) the entity that provided the financing for the acquisition or construction of the property:

(A) requires the organization to make payments in lieu of taxes to the school district in which the property is located; or

(B) restricts the amount of rent the organization may charge for dwelling units on the property; or

(2) the organization has entered into an agreement with each taxing unit for which the property receives an exemption to spend in each tax year for the purposes provided by Subsection (d) or (e)(3) an amount equal to the total amount of taxes imposed on the property in the tax year preceding the year in which the organization acquired the property.

(i) If any property owned by an organization receiving an exemption under this section has been acquired or sold during the preceding year, such organization shall file by March 31 of the following year with the chief appraiser in the county in which the relevant property is located, on a form promulgated by the comptroller of public accounts, a list of such properties acquired or sold during the preceding year.

(j) An organization may not receive an exemption under Subsection (b) or (f) for property for a tax year unless the organization received an exemption under that subsection for the property for any part of the 2003 tax year.

(k) Notwithstanding Subsection (j) of this section and Sections 11.43(a) and (c), an exemption under Subsection (b) or (f) does not terminate because of a change in the ownership of the property if the property is sold at a foreclosure sale and, not later than the 30th day after the date of the sale, the owner of the property submits to the chief appraiser evidence that the property is owned by an organization that meets the requirements of Subsections (b)(1), (2), and (4). If the owner of the property submits the evidence required by this subsection, the exemption continues to apply to the property for the remainder of the current tax year and for subsequent tax years until the owner ceases to qualify the property for the exemption. This subsection does not prohibit the chief appraiser from requiring the owner to file a new application to confirm the owner's current qualification for the exemption as provided by Section 11.43(c).

Added by Acts 1997, 75th Leg., ch. 715, Sec. 2, eff. Jan. 1, 1998. Amended by Acts 2001, 77th Leg., ch. 842, Sec. 2, 4, eff. June 14, 2001; Acts 2001, 77th Leg., ch. 1191, Sec. 1, eff. Jan. 1, 2002;

Acts 2003, 78th Leg., ch. 1156, Sec. 1, 2, eff. Jan. 1, 2004; Acts 2003, 78th Leg., ch. 1275, Sec. 2(120), eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 505 (S.B. 426), Sec. 1, eff. June 16, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 399 (S.B. 193), Sec. 1, eff. January 1, 2014.

Sec. 11.1825. ORGANIZATIONS CONSTRUCTING OR REHABILITATING LOW-INCOME HOUSING: PROPERTY NOT PREVIOUSLY EXEMPT. (a) An organization is entitled to an exemption from taxation of real property owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of this section.

(a-1) An organization that leases land under a ground lease is entitled to an exemption from taxation of the improvements owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of this section. An organization that leases land as described by this subsection is considered to be the owner of the land for purposes of the provisions of this section requiring that an organization own property for the purpose of constructing or rehabilitating a housing project on the property in order to receive an exemption for the property. A reference in this section to acquiring property includes leasing the property as described by this subsection. A reference in this section to an exemption from taxation or the appraisal of property means the improvements constructed or rehabilitated on the property if the property consists of land and improvements described by this subsection.

(b) To receive an exemption under this section, an organization must meet the following requirements:

(1) for at least the preceding three years, the organization:

(A) has been exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by

being listed as an exempt entity under Section 501(c)(3) of that code;

(B) has met the requirements of a charitable organization provided by Sections 11.18(e) and (f); and

(C) has had as one of its purposes providing low-income housing;

(2) a majority of the members of the board of directors of the organization have their principal place of residence in this state;

(3) at least two of the positions on the board of directors of the organization must be reserved for and held by:

(A) an individual of low income as defined by Section 2306.004, Government Code, whose principal place of residence is located in this state;

(B) an individual whose residence is located in an economically disadvantaged census tract as defined by Section 783.009(b), Government Code, in this state; or

(C) a representative appointed by a neighborhood organization in this state that represents low-income households; and

(4) the organization must have a formal policy containing procedures for giving notice to and receiving advice from low-income households residing in the county in which a housing project is located regarding the design, siting, development, and management of affordable housing projects.

(c) Notwithstanding Subsection (b), an owner of real property that is not an organization described by that subsection is entitled to an exemption from taxation of property under this section if the property otherwise qualifies for the exemption and the owner is:

(1) a limited partnership of which an organization that meets the requirements of Subsection (b) controls 100 percent of the general partner interest; or

(2) an entity the parent of which is an organization that meets the requirements of Subsection (b).

(d) If the owner of the property is an entity described by Subsection (c), the entity must:

(1) be organized under the laws of this state; and

(2) have its principal place of business in this state.

(e) A reference in this section to an organization includes an entity described by Subsection (c).

(f) For property to be exempt under this section, the organization must own the property for the purpose of constructing or rehabilitating a housing project on the property and:

(1) renting the housing, regardless of whether the housing project consists of multifamily or single-family dwellings, to individuals or families whose median income is not more than 60 percent of the greater of:

(A) the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or

(B) the statewide area median family income, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or

(2) selling single-family dwellings to individuals or families whose median income is not more than the greater of:

(A) the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or

(B) the statewide area median family income, as adjusted for family size and as established by the United States Department of Housing and Urban Development.

(g) Property may not receive an exemption under this section unless at least 50 percent of the total square footage of the dwelling units in the housing project is reserved for individuals or families described by Subsection (f).

(h) The annual total of the monthly rent charged or to be charged for each dwelling unit in the project reserved for an individual or family described by Subsection (f) may not exceed 30 percent of the area median family income for the household's place of residence, as adjusted for family size and as established by the

United States Department of Housing and Urban Development.

(i) Property owned for the purpose of constructing a housing project on the property is exempt under this section only if:

(1) the property is used to provide housing to individuals or families described by Subsection (f); or

(2) the housing project is under active construction or other physical preparation.

(j) For purposes of Subsection (i)(2), a housing project is under physical preparation if the organization has engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the project or has conducted an environmental or land use study relating to the construction of the project.

(k) An organization may not receive an exemption for a housing project constructed by the organization if the construction of the project was completed before January 1, 2004.

(l) If the property is owned for the purpose of rehabilitating a housing project on the property:

(1) the original construction of the housing project must have been completed at least 10 years before the date the organization began actual rehabilitation of the project;

(2) the person from whom the organization acquired the project must have owned the project for at least five years, if the organization is not the original owner of the project;

(3) the organization must provide to the chief appraiser and, if the project was financed with bonds, the issuer of the bonds a written statement prepared by a certified public accountant stating that the organization has spent on rehabilitation costs at least the greater of $5,000 or the amount required by the financial lender for each dwelling unit in the project; and

(4) the organization must maintain a reserve fund for replacements:

(A) in the amount required by the financial lender; or

(B) if the financial lender does not require a reserve fund for replacements, in an amount equal to $300 per unit

per year.

(m) Beginning with the 2005 tax year, the amount of the reserve required by Subsection (l)(4)(B) is increased by an annual cost-of-living adjustment determined in the manner provided by Section 1(f)(3), Internal Revenue Code of 1986, as amended, substituting "calendar year 2004" for the calendar year specified in Section 1(f)(3)(B) of that code.

(n) A reserve must be established for each dwelling unit in the property, regardless of whether the unit is reserved for an individual or family described by Subsection (f). The reserve must be maintained on a continuing basis, with withdrawals permitted:

(1) only as authorized by the financial lender; or

(2) if the financial lender does not require a reserve fund for replacements, only to pay the cost of capital improvements needed for the property to maintain habitability under the Minimum Property Standards of the United States Department of Housing and Urban Development or the code of a municipality or county applicable to the property, whichever is more restrictive.

(o) For purposes of Subsection (n)(2), "capital improvement" means a property improvement that has a depreciable life of at least five years under generally accepted accounting principles, excluding typical "make ready" expenses such as expenses for plasterboard repair, interior painting, or floor coverings.

(p) If the organization acquires the property for the purpose of constructing or rehabilitating a housing project on the property, the organization must be renting or offering to rent the applicable square footage of dwelling units in the property to individuals or families described by Subsection (f) not later than the third anniversary of the date the organization acquires the property.

(p-1) Notwithstanding the other provisions of this section, the transfer of property from an organization described by this section to a nonprofit organization that claims an exemption for the property under Section 11.181(a) is a proper use of and purpose for owning the property under this section and does not affect the eligibility of the property for an exemption under this section.

(q) If property qualifies for an exemption under this section, the chief appraiser shall use the income method of appraisal as described by Section 23.012 to determine the appraised value of the property. The chief appraiser shall use that method regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property. In appraising the property, the chief appraiser shall:

(1) consider the restrictions provided by this section on the income of the individuals or families to whom the dwelling units of the housing project may be rented and the amount of rent that may be charged for purposes of computing the actual rental income from the property or projecting future rental income; and

(2) use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties.

(r) Not later than January 31 of each year, the appraisal district shall give public notice in the manner determined by the district, including posting on the district's website if applicable, of the capitalization rate to be used in that year to appraise property receiving an exemption under this section.

(s) Unless otherwise provided by the governing body of a taxing unit any part of which is located in a county with a population of at least 2.1 million under Subsection (x), for property described by Subsection (f)(1), the amount of the exemption under this section from taxation is 50 percent of the appraised value of the property.

(s-1) For property described by Subsection (f)(2), the amount of the exemption under this section from taxation is 100 percent of the appraised value of the property.

(t) Notwithstanding Section 11.43(c), an exemption under this section does not terminate because of a change in ownership of the property if:

(1) the property is foreclosed on for any reason and, not later than the 30th day after the date of the foreclosure sale, the owner of the property submits to the chief appraiser evidence that the property is owned by:

(A) an organization that meets the requirements of Subsection (b); or

(B) an entity that meets the requirements of Subsections (c) and (d); or

(2) in the case of property owned by an entity described by Subsections (c) and (d), the organization meeting the requirements of Subsection (b) that controls the general partner interest of or is the parent of the entity as described by Subsection (c) ceases to serve in that capacity and, not later than the 30th day after the date the cessation occurs, the owner of the property submits evidence to the chief appraiser that the organization has been succeeded in that capacity by another organization that meets the requirements of Subsection (b).

(u) The chief appraiser may extend the deadline provided by Subsection (t)(1) or (2), as applicable, for good cause shown.

(v) Notwithstanding any other provision of this section, an organization may not receive an exemption from taxation of property described by Subsection (f)(1) by a taxing unit any part of which is located in a county with a population of at least 2.1 million unless the exemption is approved by the governing body of the taxing unit in the manner provided by law for official action.

(w) To receive an exemption under this section from taxation by a taxing unit for which the approval of the governing body of the taxing unit is required by Subsection (v), an organization must submit to the governing body of the taxing unit a written request for approval of the exemption from taxation of the property described in the request.

(x) Not later than the 60th day after the date the governing body of the taxing unit receives a written request under Subsection (w) for an exemption under this section, the governing body shall:

(1) approve the exemption in the amount provided by Subsection (s);

(2) approve the exemption in a reasonable amount other than the amount provided by Subsection (s); or

(3) deny the exemption if the governing body determines that:

(A) the taxing unit cannot afford the loss of ad valorem tax revenue that would result from approving the exemption; or

(B) additional housing for individuals or families meeting the income eligibility requirements of this section is not needed in the territory of the taxing unit.

(y) Not later than the fifth day after the date the governing body of the taxing unit takes action under Subsection (x), the taxing unit shall issue a letter to the organization stating the governing body's action and, if the governing body denied the exemption, stating whether the denial was based on a determination under Subsection (x)(3)(A) or (B) and the basis for the determination. The taxing unit shall send a copy of the letter by regular mail to the chief appraiser of each appraisal district that appraises the property for the taxing unit. The governing body may charge the organization a fee not to exceed the administrative costs of processing the request of the organization, approving or denying the exemption, and issuing the letter required by this subsection. If the chief appraiser determines that the property qualifies for an exemption under this section and the governing body of the taxing unit approves the exemption, the chief appraiser shall grant the exemption in the amount approved by the governing body.

Added by Acts 2003, 78th Leg., ch. 1156, Sec. 3, eff. Jan. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1264 (H.B. 3191), Sec. 1, eff. January 1, 2008.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 114, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1309 (H.B. 3133), Sec. 2, eff. June 17, 2011.

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 217, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 886 (H.B. 4645), Sec. 1, eff. January 1, 2024.

Sec. 11.1826. MONITORING OF COMPLIANCE WITH LOW-INCOME AND MODERATE-INCOME HOUSING EXEMPTIONS. (a) In this section, "department" means the Texas Department of Housing and Community Affairs.

(b) Property may not be exempted under Section 11.1825 for a tax year unless the organization owning or controlling the owner of the property:

(1) has an audit prepared by an independent auditor covering the organization's most recent fiscal year that:

(A) is conducted in accordance with generally accepted accounting principles; and

(B) includes an opinion on whether:

(i) the financial statements of the organization present fairly, in all material respects and in conformity with generally accepted accounting principles, the financial position, changes in net assets, and cash flows of the organization; and

(ii) the organization has complied with all of the terms and conditions of the exemption under Section 11.1825; and

(2) delivers a copy of the audit in accordance with Subsection (c).

(c) Not later than the 180th day after the last day of the organization's most recent fiscal year, the organization must deliver a copy of the audit to the department and the chief appraiser of the appraisal district in which the property is located. The chief appraiser may extend the deadline for good cause shown.

(d) Notwithstanding any other provision of this section, if the property contains not more than 36 dwelling units, the organization may deliver to the department and the chief appraiser a detailed report and certification as an alternative to an audit.

(e) Property may not be exempted under Section 11.182 for a tax year unless the organization owning or controlling the owner of the property complies with this section, except that the audit required by this section must address compliance with the requirements of Section 11.182.

(f) All information submitted to the department or the chief appraiser under this section is subject to required disclosure, is excepted from required disclosure, or is confidential in accordance with Chapter 552, Government Code, or other law.

Acts 2003, 78th Leg., ch. 1156, Sec. 3, eff. Jan. 1, 2004.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 399 (S.B. 193), Sec. 2, eff. January 1, 2014.

Sec. 11.1827. COMMUNITY LAND TRUST. (a) In this section, "community land trust" means a community land trust created or designated under Section 373B.002, Local Government Code.

(b) In addition to any other exemption to which the trust may be entitled, a community land trust is entitled to an exemption from taxation by a taxing unit of land owned by the trust, together with the housing units located on the land if they are owned by the trust, if:

(1) the trust:

(A) meets the requirements of a charitable organization provided by Sections 11.18(e) and (f);

(B) owns the land for the purpose of leasing the land and selling or leasing the housing units located on the land as provided by Chapter 373B, Local Government Code; and

(C) engages exclusively in the sale or lease of housing as described by Paragraph (B) and related activities, except that the trust may also engage in the development of low-income and moderate-income housing; and

(2) the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body.

(c) Property owned by a community land trust may not be exempted under Subsection (b) after the third anniversary of the date the trust acquires the property unless the trust is offering to sell or lease or is leasing the property as provided by Chapter 373B, Local Government Code.

(d) A community land trust entitled to an exemption from taxation by a taxing unit under Subsection (b) is also entitled to an exemption from taxation by the taxing unit of any real or tangible personal property the trust owns and uses in the administration of its acquisition, construction, repair, sale, or leasing of property. To qualify for an exemption under this

subsection, property must be used exclusively by the trust, except that another person may use the property for activities incidental to the trust's use that benefit the beneficiaries of the trust.

(e) To receive an exemption under this section, a community land trust must annually have an audit prepared by an independent auditor. The audit must include:

(1) a detailed report on the trust's sources and uses of funds; and

(2) any other information required by the governing body of the municipality or county that created or designated the trust under Section 373B.002, Local Government Code.

(f) Not later than the 180th day after the last day of the community land trust's most recent fiscal year, the trust must deliver a copy of the audit required by Subsection (e) to:

(1) the governing body of the municipality or county or an entity designated by the governing body; and

(2) the chief appraiser of the appraisal district in which the property subject to the exemption is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 383 (S.B. 402), Sec. 2, eff. January 1, 2012.

Sec. 11.183. ASSOCIATION PROVIDING ASSISTANCE TO AMBULATORY HEALTH CARE CENTERS. (a) An association is entitled to an exemption from taxation of the property it owns and uses exclusively for the purposes for which the association is organized if the association:

(1) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(2) complies with the criteria for a charitable organization under Sections 11.18(e) and (f);

(3) except as provided by Subsection (b), engages exclusively in providing assistance to ambulatory health care centers that provide medical care to individuals without regard to the individuals' ability to pay, including providing policy analysis, disseminating information, conducting continuing education, providing research, collecting and analyzing data, or

providing technical assistance to the health care centers;

(4) is funded wholly or partly, or assists ambulatory health care centers that are funded wholly or partly, by a grant under Section 330, Public Health Service Act (42 U.S.C. Section 254b), and its subsequent amendments; and

(5) does not perform abortions or provide abortion referrals or provide assistance to ambulatory health care centers that perform abortions or provide abortion referrals.

(b) Use of the property by a person other than the association does not affect the eligibility of the property for an exemption authorized by this section if the use is incidental to use by the association and limited to activities that benefit:

(1) the ambulatory health care centers to which the association provides assistance; or

(2) the individuals to whom the health care centers provide medical care.

(c) Performance of noncharitable functions by the association does not affect the eligibility of the property for an exemption authorized by this section if those other functions are incidental to the association's charitable functions.

Added by Acts 1999, 76th Leg., ch. 675, Sec. 1, eff. Jan. 1, 2000.

Sec. 11.184. ORGANIZATIONS ENGAGED PRIMARILY IN PERFORMING CHARITABLE FUNCTIONS. (a) In this section:

(1) "Local charitable organization" means an organization that:

(A) is a chapter, subsidiary, or branch of a statewide charitable organization; and

(B) with respect to its activities in this state, is engaged primarily in performing functions listed in Section 11.18(d).

(2) "Qualified charitable organization" means a statewide charitable organization or a local charitable organization.

(3) "Statewide charitable organization" means a statewide organization that, with respect to its activities in this state, is engaged primarily in performing functions listed in

Section 11.18(d).

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1137, Sec. 2(b), eff. January 1, 2010.

(c) A qualified charitable organization is entitled to an exemption from taxation of:

(1) the buildings and other real property and the tangible personal property that:

(A) are owned by the organization; and

(B) except as permitted by Subsection (d), are used exclusively by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18; and

(2) the real property owned by the organization consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used exclusively by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18.

(d) Use of exempt property by persons who are not charitable organizations eligible for an exemption from taxation under this section or Section 11.18 does not result in the loss of an exemption authorized by this section if the use is incidental to use by those charitable organizations and limited to activities that benefit the charitable organization that owns or uses the property.

(e) Before an organization may submit an application for an exemption under this section, the organization must apply to the comptroller for a determination of whether the organization is engaged primarily in performing functions listed in Section 11.18(d) and is eligible for an exemption under this section. In making the determination, the comptroller shall consider:

(1) whether the organization is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501 of the Internal Revenue Code of 1986;

(2) whether the organization holds a letter of exemption issued by the comptroller certifying that the organization is entitled to issue an exemption certificate under Section 151.310;

(3) whether the charter or bylaws of the organization require charitable work or public service;

(4) the amount of monetary support contributed or in-kind charitable or public service performed by the organization in proportion to:

(A) the organization's operating expenses;

(B) the amount of dues received by the organization; and

(C) the taxes imposed on the organization's property during the preceding year if the property was taxed in that year or, if the property was exempt from taxation in that year, the taxes that would have been imposed on the property if it had not been exempt from taxation; and

(5) any other factor the comptroller considers relevant.

(f) Not later than the 30th day after the date the organization submits an application under Subsection (e), the comptroller may request that the organization provide additional information the comptroller determines necessary. Not later than the 90th day after the date the application is submitted or, if applicable, the date the additional information is provided, the comptroller shall issue a letter to the organization stating the comptroller's determination.

(g) The comptroller may:

(1) adopt rules to implement this section;

(2) prescribe the form of an application for a determination letter under this section; and

(3) charge an organization a fee not to exceed the administrative costs of processing a request, making a determination, and issuing a determination letter under this

section.

(h) An organization applying for an exemption under this section shall submit with the application a copy of the determination letter issued by the comptroller under Subsection (f). The chief appraiser shall accept the copy of the letter as conclusive evidence as to whether the organization engages primarily in performing charitable functions and is eligible for an exemption under this section.

(i) A property may not be exempted under Subsection (c)(2) for more than three years.

(j) For purposes of Subsection (c)(2), an incomplete improvement is under physical preparation if the charitable organization has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

(k) An exemption under this section expires at the end of the fifth tax year after the year in which the exemption is granted. To continue to receive an exemption under this section after that year, the organization must obtain a new determination letter and reapply for the exemption.

(l) Notwithstanding the other provisions of this section, a corporation that is not a qualified charitable organization is entitled to an exemption from taxation of property under this section if:

(1) the corporation is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(2) of that code;

(2) the corporation holds title to the property for, collects income from the property for, and turns over the entire amount of that income, less expenses, to a qualified charitable organization; and

(3) the qualified charitable organization would qualify for an exemption from taxation of the property under this

section if the qualified charitable organization owned the property.

(m) Before a corporation described by Subsection (l) may submit an application for an exemption under this section, the qualified charitable organization for which the corporation holds title to the property must apply to the comptroller for the determination described by Subsection (e) with regard to the qualified charitable organization. The application for the determination must also include an application to the comptroller for a determination of whether the corporation meets the requirements of Subsections (l)(1) and (2). The corporation shall submit with the application for an exemption under this section a copy of the determination letter issued by the comptroller. The chief appraiser shall accept the copy of the letter as conclusive evidence of the matters described by Subsection (h) as well as of whether the corporation meets the requirements of Subsections (l)(1) and (2).

(n) Notwithstanding Subsection (k), in order for a corporation to continue to receive an exemption under Subsection (l) after the fifth tax year after the year in which the exemption is granted, the qualified charitable organization for which the corporation holds title to property must obtain a new determination letter and the corporation must reapply for the exemption.

Added by Acts 2001, 77th Leg., ch. 1040, Sec. 1, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 288, Sec. 1.02, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.02, eff. Jan. 1, 2006.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1137 (H.B. 2555), Sec. 2(a), eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. 1137 (H.B. 2555), Sec. 2(b), eff. January 1, 2010.

Sec. 11.185. COLONIA MODEL SUBDIVISION PROGRAM. (a) An organization is entitled to an exemption from taxation of unimproved real property it owns if the organization:

(1) meets the requirements of a charitable organization provided by Sections 11.18(e) and (f);

(2) purchased the property or is developing the property with proceeds of a loan made by the Texas Department of Housing and Community Affairs under the colonia model subdivision program under Subchapter GG, Chapter 2306, Government Code; and

(3) owns the property for the purpose of developing a model colonia subdivision.

(b) Property may not be exempted under Subsection (a) after the fifth anniversary of the date the organization acquires the property.

(c) An organization entitled to an exemption under Subsection (a) is also entitled to an exemption from taxation of any building or tangible personal property the organization owns and uses in the administration of its acquisition, building, repair, or sale of property. To qualify for an exemption under this subsection, property must be used exclusively by the charitable organization, except that another individual or organization may use the property for activities incidental to the charitable organization's use that benefit the beneficiaries of the charitable organization.

(d) For the purposes of Subsection (e), the chief appraiser shall determine the market value of property exempted under Subsection (a) and shall record the market value in the appraisal records.

(e) If the organization that owns improved or unimproved real property that has been exempted under Subsection (a) sells the property to a person other than a person described by Section 2306.786(b)(1), Government Code, a penalty is imposed on the property equal to the amount of the taxes that would have been imposed on the property in each tax year that the property was exempted from taxation under Subsection (a), plus interest at an annual rate of 12 percent computed from the dates on which the taxes would have become due.

Added by Acts 2001, 77th Leg., ch. 1367, Sec. 2.14, eff. Sept. 1, 2002. Renumbered from Tax Code Sec. 11.184 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(121), eff. Sept. 1, 2003.

Sec. 11.19. YOUTH SPIRITUAL, MENTAL, AND PHYSICAL

DEVELOPMENT ASSOCIATIONS. (a) An association that qualifies as a youth development association as provided by Subsection (d) is entitled to an exemption from taxation of:

(1) the tangible property that:

(A) is owned by the association;

(B) except as permitted by Subsection (b), is used exclusively by qualified youth development associations; and

(C) is reasonably necessary for the operation of the association; and

(2) the real property owned by the youth development association consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used exclusively by qualified youth development associations when complete; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by qualified youth development associations.

(b) Use of exempt tangible property by persons who are not youth development associations qualified as provided by Subsection (d) of this section does not result in the loss of an exemption under this section if the use is incidental to use by qualified associations and benefits the individuals the associations serve.

(c) An association that qualifies as a youth development association as provided by Subsection (d) of this section is entitled to an exemption from taxation of those endowment funds the association owns that are used exclusively for the support of the association and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(d) To qualify as a youth development association for the purposes of this section, an association must:

(1) be organized and operated primarily for the purpose of promoting the threefold spiritual, mental, and physical development of boys, girls, young men, or young women;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain;

(3) operate in conjunction with a state or national organization that is organized and operated for the same purpose as the association;

(4) use its assets in performing the association's youth development functions or the youth development functions of another youth development association; and

(5) by charter, bylaw, or other regulation adopted by the association to govern its affairs direct that on discontinuance of the association by dissolution or otherwise the assets are to be transferred to this state, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1954, as amended.

(e) A property may not be exempted under Subsection (a)(2) for more than three years.

(f) For purposes of Subsection (a)(2), an incomplete improvement is under physical preparation if the youth development association has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

Acts 1979, 66th Leg., p. 2237, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 129, ch. 13, Sec. 34, eff. Jan. 1, 1982; Acts 1997, 75th Leg., ch. 1039, Sec. 8, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 2, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 138, Sec. 2, eff. May 18, 1999; Acts 2003, 78th Leg., ch. 288, Sec. 1.03, eff. June 18, 2003; Acts 2003, 78th

Leg., ch. 288, Sec. 2.03, eff. Jan. 1, 2006.

Sec. 11.20. RELIGIOUS ORGANIZATIONS. (a) An organization that qualifies as a religious organization as provided by Subsection (c) is entitled to an exemption from taxation of:

(1) the real property that is owned by the religious organization, is used primarily as a place of regular religious worship, and is reasonably necessary for engaging in religious worship;

(2) the tangible personal property that is owned by the religious organization and is reasonably necessary for engaging in worship at the place of worship specified in Subdivision (1);

(3) the real property that is owned by the religious organization and is reasonably necessary for use as a residence (but not more than one acre of land for each residence) if the property:

(A) is used exclusively as a residence for those individuals whose principal occupation is to serve in the clergy of the religious organization; and

(B) produces no revenue for the religious organization;

(4) the tangible personal property that is owned by the religious organization and is reasonably necessary for use of the residence specified by Subdivision (3);

(5) the real property owned by the religious organization consisting of:

(A) an incomplete improvement that is under active construction or other physical preparation and that is designed and intended to be used by the religious organization as a place of regular religious worship when complete; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the religious organization's use of the improvement as a place of regular religious worship;

(6) the land that the religious organization owns for the purpose of expansion of the religious organization's place of regular religious worship or construction of a new place of regular

religious worship if:

(A) the religious organization qualifies other property, including a portion of the same tract or parcel of land, owned by the organization for an exemption under Subdivision (1) or (5); and

(B) the land produces no revenue for the religious organization; and

(7) the real property owned by the religious organization that is leased to another person and used by that person for the operation of a school that qualifies as a school under Section 11.21(d).

(b) An organization that qualifies as a religious organization as provided by Subsection (c) of this section is entitled to an exemption from taxation of those endowment funds the organization owns that are used exclusively for the support of the religious organization and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(c) To qualify as a religious organization for the purposes of this section, an organization (whether operated by an individual, as a corporation, or as an association) must:

(1) be organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain;

(3) use its assets in performing the organization's religious functions or the religious functions of another religious organization; and

(4) by charter, bylaw, or other regulation adopted by the organization to govern its affairs direct that on

discontinuance of the organization by dissolution or otherwise the assets are to be transferred to this state, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1954, as amended.

(d) Use of property that qualifies for the exemption prescribed by Subsection (a)(1) or (2) or by Subsection (h)(1) for occasional secular purposes other than religious worship does not result in loss of the exemption if the primary use of the property is for religious worship and all income from the other use is devoted exclusively to the maintenance and development of the property as a place of religious worship.

(e) For the purposes of this section, "religious worship" means individual or group ceremony or meditation, education, and fellowship, the purpose of which is to manifest or develop reverence, homage, and commitment in behalf of a religious faith.

(f) A property may not be exempted under Subsection (a)(5) for more than three years.

(g) For purposes of Subsection (a)(5), an incomplete improvement is under physical preparation if the religious organization has engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement or has conducted an environmental or land use study relating to the construction of the improvement.

(h) Property owned by this state or a political subdivision of this state, including a leasehold or other possessory interest in the property, that is held or occupied by an organization that qualifies as a religious organization as provided by Subsection (c) is entitled to an exemption from taxation if the property:

(1) is used by the organization primarily as a place of regular religious worship and is reasonably necessary for engaging in religious worship; or

(2) meets the qualifications for an exemption under Subsection (a)(5).

(i) For purposes of the exemption provided by Subsection (h), the religious organization may apply for the exemption and

take other action relating to the exemption as if the organization owned the property.

(j) A tract of land that is contiguous to the tract of land on which the religious organization's place of regular religious worship is located may not be exempted under Subsection (a)(6) for more than 10 years. A tract of land that is not contiguous to the tract of land on which the religious organization's place of regular religious worship is located may not be exempted under Subsection (a)(6) for more than three years. For purposes of this subsection, a tract of land is considered to be contiguous with another tract of land if the tracts are divided only by a road, railroad track, river, or stream.

(k) For purposes of Subsection (a)(6), an application or statement accompanying an application for the exemption stating that the land is owned for the purposes described by Subsection (a)(6) and signed by an authorized officer of the organization is sufficient to establish that the land is owned for those purposes.

Acts 1979, 66th Leg., p. 2238, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 129, ch. 13, Sec. 35, eff. Jan. 1, 1982; Acts 1987, 70th Leg., ch. 640, Sec. 1, eff. Jan. 1, 1988; Acts 1995, 74th Leg., ch. 458, Sec. 1, eff. June 9, 1995; Acts 1997, 75th Leg., ch. 1039, Sec. 9, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 3, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 138, Sec. 3, eff. May 18, 1999; Acts 2003, 78th Leg., ch. 123, Sec. 1, eff. Jan. 1, 2004; Acts 2003, 78th Leg., ch. 288, Sec. 1.04, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.04, eff. Jan. 1, 2006; Acts 2003, 78th Leg., ch. 1052, Sec. 1, eff. Jan. 1, 2004.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 23.001(80), eff. September 1, 2005.

Acts 2021, 87th Leg., R.S., Ch. 206 (H.B. 1197), Sec. 1, eff. January 1, 2022.

Sec. 11.201. ADDITIONAL TAX ON SALE OF CERTAIN RELIGIOUS ORGANIZATION PROPERTY. (a) If land is sold or otherwise transferred to another person in a year in which the land receives

an exemption under Section 11.20(a)(6), an additional tax is imposed on the land equal to the tax that would have been imposed on the land had the land been taxed for each of the five years preceding the year in which the sale or transfer occurs in which the land received an exemption under that subsection, plus interest at an annual rate of seven percent calculated from the dates on which the taxes would have become due.

(b) A tax lien attaches to the land on the date the sale or transfer occurs to secure payment of the tax and interest imposed by this section and any penalties incurred. The lien exists in favor of all taxing units for which the tax is imposed.

(c) If only part of a parcel of land that is exempted under Section 11.20(a)(6) is sold or transferred, the tax applies only to that part of the parcel and equals the taxes that would have been imposed had that part been taxed.

(d) The assessor for each taxing unit shall prepare and deliver a bill for the additional taxes plus interest as soon as practicable after the sale or transfer occurs. The taxes and interest are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

(e) The sanctions provided by Subsection (a) do not apply if the sale or transfer occurs as a result of:

(1) a sale for right-of-way;

(2) a condemnation;

(3) a transfer of property to the state or a political subdivision of the state to be used for a public purpose; or

(4) a transfer of property to a religious organization that qualifies the property for an exemption under Section 11.20 for the tax year in which the transfer occurs.

Acts 2003, 78th Leg., ch. 1052, Sec. 2, eff. Jan. 1, 2004.

Sec. 11.21. SCHOOLS. (a) A person is entitled to an exemption from taxation of:

(1) the buildings and tangible personal property that

the person owns and that are used for a school that is qualified as provided by Subsection (d) if:

(A) the school is operated exclusively by the person owning the property;

(B) except as permitted by Subsection (b), the buildings and tangible personal property are used exclusively for educational functions; and

(C) the buildings and tangible personal property are reasonably necessary for the operation of the school; and

(2) the real property owned by the person consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used for a school that is qualified as provided by Subsection (d); and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement for a school that is qualified as provided by Subsection (d).

(b) Use of exempt tangible property for functions other than educational functions does not result in loss of an exemption authorized by this section if those other functions are incidental to use of the property for educational functions and benefit the students or faculty of the school.

(c) A person who operates a school that is qualified as provided by Subsection (d) of this section is entitled to an exemption from taxation of those endowment funds he owns that are used exclusively for the support of the school and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(d) To qualify as a school for the purposes of this section, an organization (whether operated by an individual, as a

corporation, or as an association) must:

(1) be organized and operated primarily for the purpose of engaging in educational functions;

(2) normally maintain a regular faculty and curriculum and normally have a regularly organized body of students in attendance at the place where its educational functions are carried on;

(3) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain and, if the organization is a corporation, be organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act;

(4) use its assets in performing the organization's educational functions or the educational functions of another educational organization; and

(5) by charter, bylaw, or other regulation adopted by the organization to govern its affairs direct that on discontinuance of the organization by dissolution or otherwise the assets are to be transferred to this state, the United States, or an educational, charitable, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1954, as amended.

(e) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

(f) Notwithstanding Subsection (a), a person is entitled to an exemption from taxation of the buildings and tangible personal property the person acquires for use for a school that meets each requirement of Subsection (d) if:

(1) the person authorizes the former owner to continue to use the property pending the use of the property for a school; and

(2) the former owner would be entitled to an exemption from taxation of the property if the former owner continued to own the property.

(g) A property may not be exempted under Subsection (a)(2) for more than three years.

(h) For purposes of Subsection (a)(2), an incomplete improvement is under physical preparation if the person has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

Acts 1979, 66th Leg., p. 2239, ch. 841, Sec. 1, eff. Jan. 1. 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 130, ch. 13, Sec. 36, eff. Jan. 1, 1982; Acts 1997, 75th Leg., ch. 1039, Sec. 10, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1293, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1411, Sec. 4, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 138, Sec. 4, eff. May 18, 1999; Acts 2003, 78th Leg., ch. 288, Sec. 1.05, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.05, eff. Jan. 1, 2006.

Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN SCHOOLS. The portion of real property that is leased to an independent school district, community college district, or open-enrollment charter school authorized by Subchapter C, D, or E, Chapter 12, Education Code, is qualified and exempt from taxation pursuant to Sections 11.11 and 11.21 of this code if the portion of the real property that is leased to the public school is:

(1) used exclusively by the public school for the operation or administration of the school or the performance of other educational functions of the school; and

(2) reasonably necessary for a purpose described in Subdivision (1) as found by the school's governing body.

Added by Acts 2021, 87th Leg., R.S., Ch. 916 (H.B. 3610), Sec. 4, eff. September 1, 2021.

Sec. 11.22. DISABLED VETERANS.

(a) A disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates as provided by Subsection (f) in

accordance with the following schedule:

an exemption of	for a disability rating of	
up to:	at least:	but less than:
$5,000 of the assessed value	10%	30%
7,500	30	50
10,000	50	70
12,000	70 and over	

(b) A disabled veteran is entitled to an exemption from taxation of $12,000 of the assessed value of a property the veteran owns and designates as provided by Subsection (f) of this section if the veteran:

(1) is 65 years of age or older and has a disability rating of at least 10 percent;

(2) is totally blind in one or both eyes; or

(3) has lost the use of one or more limbs.

(c) If a disabled veteran who is entitled to an exemption by Subsection (a) or (b) of this section dies, the veteran's surviving spouse is entitled to an exemption from taxation of a portion of the assessed value of a property the spouse owns and designates as provided by Subsection (f) of this section. The amount of the exemption is the amount of the veteran's exemption at time of death. The spouse is entitled to an exemption by this subsection only for as long as the spouse remains unmarried. If the spouse does not survive the veteran, each of the veteran's surviving children who is younger than 18 years of age and unmarried is entitled to an exemption from taxation of a portion of the assessed value of a property the child owns and designates as provided by Subsection (f) of this section. The amount of exemption for each eligible child is computed by dividing the amount of the veteran's exemption at time of death by the number of eligible children.

(d) If an individual dies while on active duty as a member of the armed services of the United States:

(1) the individual's surviving spouse is entitled to an exemption from taxation of $5,000 of the assessed value of the property the spouse owns and designates as provided by Subsection (f) of this section; and

(2) each of the individual's surviving children who is younger than 18 years of age and unmarried is entitled to an exemption from taxation of a portion of the assessed value of a property the child owns and designates as provided by Subsection (f) of this section, the amount of exemption for each eligible child to be computed by dividing $5,000 by the number of eligible children.

(e) An individual who qualifies for more than one exemption authorized by this section is entitled to aggregate the amounts of the exemptions, except that:

(1) a disabled veteran who qualifies for more than one exemption authorized by Subsections (a) and (b) of this section is entitled to only one exemption but may choose the greatest exemption for which he qualifies; and

(2) an individual who receives an exemption as a surviving spouse of a disabled veteran as provided by Subsection (c) of this section may not receive an exemption as a surviving child as provided by Subsection (c) or (d) of this section.

(f) An individual may receive an exemption to which he is entitled by this section against only one property, which must be the same for every taxing unit in which the individual claims the exemption. If an individual is entitled by Subsection (e) of this section to aggregate the amounts of more than one exemption, he must take the entire aggregated amount against the same property. An individual must designate on his exemption application form the property against which he takes an exemption under this section.

(g) An individual is not entitled to an exemption by this section unless he is a resident of this state.

(h) In this section:

(1) "Child" includes an adopted child or a child born out of wedlock whose paternity has been admitted or has been established in a legal action.

(2) "Disability rating" means a veteran's percentage of disability as certified by the Veterans' Administration or its successor or the branch of the armed services in which the veteran served.

(3) "Disabled veteran" means a veteran of the armed

services of the United States who is classified as disabled by the Veterans' Administration or its successor or the branch of the armed services in which the veteran served and whose disability is service-connected.

(4) "Surviving spouse" means the individual who was married to a disabled veteran or member of the armed services at the time of the veteran's or member's death.

Acts 1979, 66th Leg., p. 2240, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 18.002, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1405 (H.B. 3613), Sec. 1(b), eff. June 19, 2009.

Sec. 11.23. MISCELLANEOUS EXEMPTIONS. (a) Veteran's Organizations. A nonprofit organization that is composed primarily of members or former members of the armed forces of the United States or its allies and that is chartered or incorporated by the United States Congress is entitled to an exemption from taxation of each of the buildings (including the land that is reasonably necessary for use of, access to, and ornamentation of the buildings) and other property owned and primarily used by that organization if the property is not used to produce revenue or held for gain. Occasional renting of the post or chapter property for other nonprofit activities does not result in loss of the exemption provided by this subsection if the rental proceeds are used solely for the maintenance and improvement of the property. For purposes of this subsection, an organization is a nonprofit organization if it is organized and operated in a way that does not result in the accrual of distributable profits, realization of private gain from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain.

(b) Federation of Women's Clubs. The Texas Federation of Women's Clubs is entitled to an exemption from taxation of the tangible property it owns if the property is not held for gain.

(c) Nature Conservancy of Texas. The Nature Conservancy of

Texas, Incorporated, is entitled to an exemption from taxation of the tangible property it owns if the property is not held for gain, as long as the organization is a nonprofit corporation as defined by the Texas Non-Profit Corporation Act.

(d) Congress of Parents and Teachers. The Texas Congress of Parents and Teachers is entitled to an exemption from taxation for state and county purposes of the buildings (including the land that is reasonably necessary for use of, access to, and ornamentation of the buildings) it owns and uses as its state headquarters.

(e) Private Enterprise Demonstration Associations. An association that engages exclusively in conducting nonprofit educational programs designed to demonstrate the American private enterprise system to children and young people and that operates under a state or national organization that is organized and operated for the same purpose is entitled to an exemption from taxation of the tangible property that it owns and uses exclusively if it is reasonably necessary for the association's operation.

(f) Bison, Buffalo, and Cattalo. A person is entitled to an exemption from taxation of the bison, buffalo, and cattalo he owns that are not held for gain and that are used in experimental breeding with cattle for the purpose of producing an improved strain of meat animal or kept in parks to preserve the species.

(g) Theater Schools. A corporation that is organized to promote the teaching and study of the dramatic arts is entitled to an exemption from taxation of the property it owns and uses in the operation of a school for the dramatic arts if:

(1) the corporation is organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act;

(2) the corporation is not self-sustaining in any fiscal year from income other than gifts, grants, or donations;

(3) the corporation is exempt from federal income taxes;

(4) the school maintains a theater-school program with regular classes for at least four grades, formal textbooks and curriculum, an enrollment of 150 or more students during each of at least two semesters every calendar year, and a faculty substantially all of whom hold degrees in theater arts from an

accredited school of higher education;

(5) the school offers apprenticeship or other practical training in theater management and operation for college students or offers similar training for playwrights, actors, and production personnel; and

(6) more than one-half of each season's theatrical productions for which admission is charged have significant literary merit of the character that contributes to the educational programs of secondary schools and schools of higher education.

(h) County Fair Associations. A county fair association organized to hold agricultural fairs and encourage agricultural pursuits is entitled to an exemption from taxation of the land and buildings that it owns and uses to hold agricultural fairs. An association that holds a license issued after January 1, 2001, under Subtitle A-1, Title 13, Occupations Code (Texas Racing Act), to conduct a horse race meeting or a greyhound race meeting with pari-mutuel wagering is not entitled to an exemption under this subsection. Land or a building used to conduct a horse race meeting or a greyhound race meeting with pari-mutuel wagering under a license issued after January 1, 2001, under that subtitle may not be exempted under this subsection. To qualify for an exemption under this subsection, a county fair association must:

(1) be a nonprofit corporation governed by Chapter 22, Business Organizations Code;

(2) be exempt from federal income taxes as an organization described by Section 501(c)(3), (4), or (5), Internal Revenue Code of 1986;

(3) qualify for an exemption from the franchise tax under Section 171.060; and

(4) meet the requirements of a charitable organization provided by Sections 11.18(e) and (f), for which purpose the functions for which the association is organized are considered to be charitable functions.

(i) Community Service Clubs. An association that qualifies as a community service club is entitled to an exemption from taxation of the tangible property the club owns that qualifies under Article VIII, Section 2, of the constitution and that is not

used for profit or held for gain. To qualify as a community service club for the purposes of this subsection, an association must:

(1) be organized to promote and must engage primarily in promoting:

(A) the religious, educational, and physical development of boys, girls, young men, or young women;

(B) the development of the concepts of patriotism and love of country; and

(C) the development of interest in community, national, and international affairs;

(2) be affiliated with a state or national organization of similar purpose;

(3) be open to membership without regard to race, religion, or national origin; and

(4) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain.

(j) Medical Center Development. All real and personal property owned by a nonprofit corporation, as defined in the Texas Non-Profit Corporation Act, and held for use in the development 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, and educational uses and uses reasonably related thereto, during the time remaining property is held for the development to completion of the medical center and not leased or otherwise used with a view to profit, is exempt from all ad valorem taxation as though the property were, during that time, owned and held by the state for health and educational purposes.

(j-1) Medical Center Development in Populous Counties. In a county with a population of 3.3 million or more, 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, 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, for other hospital, medical, educational, research, or nonprofit uses and uses reasonably related to those uses, 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 public purposes, including the relief of traffic congestion, is exempt from all ad valorem taxation. In connection with the application or enforcement of a deed restriction or a covenant related to the property, a use or purpose described in this subsection shall also be considered to be a hospital, medical, or educational use, or a use that is reasonably related to a hospital, medical, or educational use. This subsection may not be construed to exempt from taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from taxation under this subsection.

(k) Scientific Research Corporations. A nonprofit corporation as defined in the Texas Non-Profit Corporation Act is entitled to an exemption from taxation of the property it owns and uses in scientific research and educational activities for the benefit of one or more colleges and universities. Use of property exempted by this subsection for purposes other than scientific research and education does not result in loss of the exemption if those other functions are incidental to use of the property for scientific research and education activities and benefit the scientific research corporation and the colleges or universities that it supports.

(l) Incomplete Improvements. A person described by Subsection (a)-(e), (g), or (i)-(k) is entitled to an exemption from taxation of the real property owned by the person consisting of an incomplete improvement that is under active construction or other physical preparation and that is designed and intended to be used by the person for a purpose described by that subsection when complete and the land on which the incomplete improvement is

located that will be reasonably necessary for the person's use of the improvement for that purpose. A property may not be exempted under this subsection for more than three years. For purposes of this subsection, an incomplete improvement is under physical preparation if the person has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

(m) National Hispanic Institute. The National Hispanic Institute is entitled to an exemption from taxation of the real and tangible personal property it owns as long as the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code.

(n) Promotion of Agriculture, Support of Youth, and Provision of Educational Support in Populous Counties. In a county with a population of 3.3 million or more, 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 charitable, educational, and scientific purposes, and held for use in promoting agriculture, supporting youth, and providing educational support in the community is exempt from all ad valorem taxation. This subsection does not exempt from ad valorem taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from taxation under this subsection.

Acts 1979, 66th Leg., p. 2242, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 130, ch. 13, Sec. 37, eff. Jan. 1, 1982; Acts 1987, 70th Leg., ch. 430, Sec. 2, eff. Jan. 1, 1988; Acts 1987, 70th Leg., ch. 640, Sec. 5, eff. Aug. 31, 1987; Acts 1991, 72nd Leg., ch. 162, Sec. 1, eff. Aug. 26, 1991; Acts 1997, 75th Leg., ch. 954, Sec. 2, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 138, Sec. 5, eff. May 18, 1999; Acts 2001, 77th Leg., ch. 815, Sec. 1, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 288, Sec.

1.06, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.06, eff. Jan. 1, 2006; Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 20.01, eff. Jan. 11, 2004.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1119 (H.B. 3623), Sec. 1, eff. January 1, 2016.

Acts 2017, 85th Leg., R.S., Ch. 280 (H.B. 2999), Sec. 1, eff. January 1, 2018.

Acts 2017, 85th Leg., R.S., Ch. 963 (S.B. 1969), Sec. 2.11, eff. April 1, 2019.

Acts 2025, 89th Leg., 2nd C.S., Ch. 10 (H.B. 23), Sec. 1, eff. January 1, 2026.

Sec. 11.231. NONPROFIT COMMUNITY BUSINESS ORGANIZATION PROVIDING ECONOMIC DEVELOPMENT SERVICES TO LOCAL COMMUNITY. (a) In this section, "nonprofit community business organization" means an organization that meets the following requirements:

(1) the organization has been in existence for at least the preceding five years;

(2) the organization:

(A) is a nonprofit corporation organized under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or a nonprofit corporation formed under the Texas Nonprofit Corporation Law, as described by Section 1.008, Business Organizations Code;

(B) is a nonprofit organization described by Section 501(c)(6), Internal Revenue Code of 1986; and

(C) is not a statewide organization;

(3) for at least the preceding three years, the organization has maintained a dues-paying membership of at least 50 members; and

(4) the organization:

(A) has a board of directors elected by the members;

(B) does not compensate members of the board of directors for service on the board;

(C) with respect to its activities in this state,

is engaged primarily in performing functions listed in Subsection (d);

(D) is primarily supported by membership dues and other income from activities substantially related to its primary functions; and

(E) is not, has not formed, and does not financially support a political committee as defined by Section 251.001, Election Code.

(a-1) In addition to an organization described by Subsection (a), in this section, "nonprofit community business organization" also means a Type A corporation governed by Chapter 504, Local Government Code, and a Type B corporation governed by Chapter 505, Local Government Code.

(b) An association that qualifies as a nonprofit community business organization as provided by this section is entitled to an exemption from taxation of:

(1) the buildings and tangible personal property that:

(A) are owned by the nonprofit community business organization; and

(B) except as permitted by Subsection (c), are used exclusively by qualified nonprofit community business organizations to perform their primary functions; and

(2) the real property owned by the nonprofit community business organization consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used exclusively by qualified nonprofit community business organizations; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by qualified nonprofit community business organizations.

(c) Use of exempt property by persons who are not nonprofit community business organizations qualified as provided by this section does not result in the loss of an exemption authorized by

this section if the use is incidental to use by qualified nonprofit community business organizations and limited to activities that benefit the beneficiaries of the nonprofit community business organizations that own or use the property.

(d) To qualify for an exemption under this section, a nonprofit community business organization must be engaged primarily in performing one or more of the following functions in the local community:

(1) promoting the common economic interests of commercial enterprises;

(2) improving the business conditions of one or more types of business; or

(3) otherwise providing services to aid in economic development.

(e) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

(f) A property may not be exempted under Subsection (b)(2) for more than three years.

(g) For purposes of Subsection (b)(2), an incomplete improvement is under physical preparation if the nonprofit community business organization has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

Added by Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 3, eff. January 1, 2010.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1255 (H.B. 1905), Sec. 20(a), eff. January 1, 2016.

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site

and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

(1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or

(2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the taxing unit.

(b) The governing body of a taxing unit may not repeal or reduce the amount of an exemption granted under Subsection (a) for a property that otherwise qualifies for the exemption unless:

(1) the owner of the property consents to the repeal or reduction; or

(2) the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

(c) For purposes of a structure or archeological site and land subject to an exemption under this section, the property owner may protest the appraised value of the structure or archeological site and the appraised value of the land separately. A property owner may protest the allocation of appraised value between the structure or archeological site and the land.

Acts 1979, 66th Leg., p. 2243, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1995, 74th Leg., ch. 109, Sec. 21, eff. Aug. 30, 1995.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 25, eff. January 1, 2020.

Acts 2025, 89th Leg., R.S., Ch. 467 (H.B. 4809), Sec. 1, eff. June 20, 2025.

Sec. 11.25. MARINE CARGO CONTAINERS USED EXCLUSIVELY IN INTERNATIONAL COMMERCE. (a) A person is entitled to an exemption from taxation of a marine cargo container and the equipment related to the container that the person owns if:

(1) the person is:

(A) a citizen of a foreign country; or

(B) an entity organized under the laws of a foreign country; and

(2) the container is:

(A) based, registered, and subject to taxation in a foreign country; and

(B) used exclusively in international commerce.

(b) In this section, "marine cargo container":

(1) means a container that may be:

(A) used to transport goods by ship;

(B) readily handled;

(C) transferred from one mode of transport to another without reloading; and

(D) used repeatedly; and

(2) includes a container that is fully or partially enclosed so as to serve as a compartment for goods, has an open top suitable for loading goods into the container, or consists of a flat rack suitable for securing goods onto the container.

Added by Acts 1997, 75th Leg., ch. 726, Sec. 1, eff. Sept. 1, 1997.

Sec. 11.251. TANGIBLE PERSONAL PROPERTY EXEMPT. (a) In this section, "freeport goods" means property that under Article VIII, Section 1-j, of the Texas Constitution is not taxable.

(b) A person is entitled to an exemption from taxation by a taxing unit of the appraised value of that portion of the person's inventory or property consisting of freeport goods as determined under this section for the taxing unit.

(c) The exemption provided by Subsection (b) is subtracted from the market value of the inventory or property determined under Section 23.12 to determine the taxable value of the inventory or property for the taxing unit.

(d) Except as provided by Subsections (f) and (g), the chief appraiser shall determine the appraised value of freeport goods under this subsection. The chief appraiser shall determine the percentage of the market value of inventory or property owned by the property owner in the preceding calendar year that was contributed

by freeport goods. The chief appraiser shall apply that percentage to the market value of the property owner's inventory or property for the current year to determine the appraised value of freeport goods for the current year.

(e) In determining the market value of freeport goods that in the preceding year were assembled, manufactured, repaired, maintained, processed, or fabricated in this state or used by the person who acquired or imported the property in the repair or maintenance of aircraft operated by a certificated air carrier, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the freeport goods but were not themselves freeport goods or that were not transported outside the state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (l), after they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held in this state by the property owner during the preceding year in determining whether the component parts were transported out of this state before the expiration of 175 days or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (l).

(f) If the property owner was not engaged in transporting freeport goods out of this state for the entire preceding year, the chief appraiser shall calculate the percentage of cost described in Subsection (d) for the portion of the year in which the property owner was engaged in transporting freeport goods out of this state.

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the freeport goods to be exempt by determining, according to the property owner's records and any other available information, the market value of those freeport goods owned by the property owner on January 1 of the current year, excluding the cost of equipment,

machinery, or materials that entered into and became component parts of the freeport goods but were not themselves freeport goods or that were not transported outside the state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (l), after they were brought into this state by the property owner or acquired by the property owner in this state.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner or a person designated in writing by the importer of record to provide copies of inventory or property records in order to determine the amount and value of freeport goods. If the property owner or designated person fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner or before the date the appraisal review board approves the appraisal records under Section 41.12, whichever is later, the property owner forfeits the right to claim or receive the exemption for that year. If the property owner or designated person delivers the information requested in the notice before the date the appraisal review board approves the appraisal records but not before the 31st day after the date the notice is delivered to the property owner and the exemption is allowed, the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the inventory or property and the amount that would otherwise have been imposed. The chief appraiser shall make an entry on the appraisal records for the inventory or property indicating the property owner's liability for the penalty and shall deliver a written notice of imposition of the penalty, explaining the reason for its imposition, to the property owner. The assessor for a taxing unit that taxes the inventory or property shall add the amount of the penalty to the property owner's tax bill, and the tax collector for the unit shall collect the penalty at the time and in the manner the collector collects the tax. The amount of the penalty constitutes a lien against the inventory or property against which the penalty is imposed, as if it were a tax, and accrues penalty and interest in the same manner as a

delinquent tax.

(i) The exemption provided by Subsection (b) does not apply to a taxing unit that takes action to tax the property under Article VIII, Section 1-j, Subsection (b), of the Texas Constitution.

(j) Petroleum products as set forth in Article VIII, Section 1-j, of the Texas Constitution shall mean liquid and gaseous materials that are the immediate derivatives of the refining of oil or natural gas.

(k) Property that meets the requirements of Article VIII, Sections 1-j(a)(1) and (2), of the Texas Constitution and that is transported outside of this state not later than 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (l), after the date the person who owns it on January 1 acquired it or imported it into this state is freeport goods regardless of whether the person who owns it on January 1 is the person who transports it outside of this state.

(l) The governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which freeport goods that are aircraft parts must be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the property in this state. An extension adopted by official action under this subsection applies only to the exemption from ad valorem taxation by the taxing unit adopting the extension and applies to:

(1) the tax year:

(A) in which the extension is adopted if officially adopted before June 1 of a tax year; or

(B) immediately following the tax year in which the extension is adopted if officially adopted on or after June 1 of a tax year; and

(2) each tax year following the year of adoption of the extension.

Added by Acts 1989, 71st Leg., ch. 534, Sec. 1. Amended by Acts 1991, 72nd Leg., ch. 504, Sec. 1, eff. June 13, 1991; Acts 1993, 73rd Leg., ch. 779, Sec. 1, eff. Jan. 1, 1994; Acts 2001, 77th Leg., ch. 125, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1402 (H.B. 3121), Sec. 1, eff. January 1, 2014.

Sec. 11.252. MOTOR VEHICLES LEASED FOR USE OTHER THAN PRODUCTION OF INCOME. (a) The owner of a motor vehicle that is subject to a lease is entitled to an exemption from taxation of the vehicle if:

(1) the lessee does not hold the vehicle for the production of income; and

(2) the vehicle is used primarily for activities that do not involve the production of income.

(b) For purposes of this section, a motor vehicle is presumed to be used primarily for activities that do not involve the production of income if:

(1) 50 percent or more of the miles the motor vehicle is driven in a year are for non-income producing purposes;

(2) the motor vehicle is leased to this state or a political subdivision of this state; or

(3) the motor vehicle:

(A) is leased to an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code; and

(B) would be exempt from taxation if the vehicle were owned by the organization.

(c) The comptroller by rule shall establish exemption application requirements and appropriate procedures to determine whether a motor vehicle subject to a lease qualifies for an exemption under Subsection (a).

(d) In connection with the requirements and procedures under Subsection (c), the comptroller by rule shall adopt a form to be completed by the lessee of a motor vehicle for which the owner of the vehicle may apply for an exemption under Subsection (a). The form shall require a lessee who is an individual to provide the lessee's name, address, and driver's license or personal identification certificate number. The form shall require a lessee that is an entity described by Subsection (b) to provide the

lessee's name, address, and, if applicable, federal tax identification number. The form shall require a lessee who is an individual, or the authorized representative of a lessee that is an entity described by Subsection (b), to certify, either under oath or by written, unsworn declaration, that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income. The comptroller shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making a false statement on the form.

(e) The owner of a motor vehicle that is subject to a lease shall maintain the form, an electronic image of the form, or a certified copy of the form completed by the lessee of the vehicle and make the form, electronic image, or certified copy available for inspection and copying by the chief appraiser of the applicable appraisal district at all reasonable times. If the owner does not maintain a completed form, electronic image of the completed form, or certified copy of the completed form relating to the vehicle, the owner:

(1) must render the vehicle for taxation in the applicable rendition statement or property report filed by the owner under Chapter 22; and

(2) may not file an application for an exemption under Subsection (a) for the vehicle.

(f) The governing body of a municipality by ordinance adopted before January 1, 2002, may provide for the taxation of leased motor vehicles otherwise exempted under Subsection (a). If the governing body of a municipality provides for the taxation of leased motor vehicles under this subsection, the exemption provided by Subsection (a) does not apply to that municipality.

(g) Repealed by Acts 2003, 78th Leg., ch. 866, Sec. 1.

(h) In this section:

(1) "Lease" has the meaning assigned by Section 152.001(6).

(2) "Motor vehicle" means a passenger car or truck with a shipping weight of not more than 9,000 pounds.

(i) In addition to the requirements of Subsections (c) and

(d), the comptroller by rule shall prescribe a property report form to be completed by the lessor describing the leased motor vehicles that the lessor owns. The property report form shall require the lessor to list each leased vehicle the lessor owns on January 1, to provide the year, make, model, and vehicle identification number of each leased vehicle, and to provide the name of the lessee, the address at which the vehicle is kept, and an indication of whether the lessee has designated the vehicle as not held for the production and not used for the production of income.

(j) The lessor shall provide the chief appraiser with the completed property report form adopted by the comptroller in the manner provided by Subchapter B, Chapter 22.

Added by Acts 2001, 77th Leg., ch. 1406, Sec. 1, eff. Jan. 1, 2002.

Amended by Acts 2003, 78th Leg., ch. 866, Sec. 1, eff. June 20, 2003.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 570 (S.B. 58), Sec. 1, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 570 (S.B. 58), Sec. 2, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 644 (H.B. 988), Sec. 6, eff. January 1, 2022.

For expiration of Subsections (l) and (m), see Subsection (m).

Sec. 11.253. TANGIBLE PERSONAL PROPERTY IN TRANSIT. (a) In this section:

(1) "Dealer's motor vehicle inventory," "dealer's vessel and outboard motor inventory," "dealer's heavy equipment inventory," and "retail manufactured housing inventory" have the meanings assigned by Subchapter B, Chapter 23.

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a public warehouse operator at one or more public warehouse

facilities in this state that are not in any way owned or controlled by the owner of the personal property for the account of the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

(3) "Location" means a physical address.

(4) "Petroleum product" means a liquid or gaseous material that is an immediate derivative of the refining of oil or natural gas.

(5) "Bailee" and "warehouse" have the meanings assigned by Section 7.102, Business & Commerce Code.

(6) "Public warehouse operator" means a person that:

(A) is both a bailee and a warehouse; and

(B) stores under a contract of bailment, at one or more public warehouse facilities, tangible personal property that is owned by other persons solely for the account of those persons and not for the operator's account.

(b) A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit.

(c) The exemption provided by Subsection (b) is subtracted from the market value of the property determined under Section 23.01 or 23.12, as applicable, to determine the taxable value of the property.

(d) Except as provided by Subsections (f) and (g), the chief appraiser shall determine the appraised value of goods-in-transit under this subsection. The chief appraiser shall determine the percentage of the market value of tangible personal property owned by the property owner and used for the production of income in the preceding calendar year that was contributed by goods-in-transit. For the first year in which the exemption

applies to a taxing unit, the chief appraiser shall determine that percentage as if the exemption applied in the preceding year. The chief appraiser shall apply that percentage to the market value of the property owner's tangible personal property used for the production of income for the current year to determine the appraised value of goods-in-transit for the current year.

(e) In determining the market value of goods-in-transit that in the preceding year were stored in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days.

(f) If the property owner was not engaged in transporting goods-in-transit to another location in this state or outside this state for the entire preceding year, the chief appraiser shall calculate the percentage of the market value described in Subsection (d) for the portion of the year in which the property owner was engaged in transporting goods-in-transit to another location in this state or outside this state.

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the goods-in-transit to be exempt by determining, according to the property owner's records and any other available information, the market value of those goods-in-transit owned by the property

owner on January 1 of the current year, excluding the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for storage was not owned by or under the control of the owner of the goods-in-transit. If the property owner fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner, the property owner forfeits the right to claim or receive the exemption for that year.

(i) Property that meets the requirements of this section constitutes goods-in-transit regardless of whether the person who owns the property on January 1 is the person who transports the property to another location in this state or outside this state.

(j) The governing body of a taxing unit, in the manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt under Subsection (b) and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax

goods-in-transit, or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-1) Notwithstanding Subsection (j) or official action that was taken under that subsection before October 1, 2011, to tax goods-in-transit exempt under Subsection (b) and not exempt under other law, a taxing unit may not tax such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes action on or after October 1, 2011, in the manner required for official action by the governing body, to provide for the taxation of the goods-in-transit. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-2) Notwithstanding Subsection (j-1), if under Subsection (j) the governing body of a taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of the taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created.

(k) A property owner who receives the exemption from taxation provided by Subsection (b) is not eligible to receive the exemption from taxation provided by Section 11.251 for the same property.

(l) This subsection applies only to a taxing unit any part of which is located in an area designated a disaster area by a

disaster declaration issued under Section 418.014 or 418.108, Government Code, on or after January 1, 2020. Notwithstanding Subsections (a)(2)(C), (e), and (g), the governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which goods-in-transit must be transported to another location in this state or outside this state to a date not later than the 270th day after the date the person acquired the property in or imported the property into this state. An extension adopted by official action under this subsection applies only to:

(1) the exemption from ad valorem taxation by the taxing unit adopting the extension; and

(2) the tax year in which the extension is adopted.

(m) This subsection and Subsection (l) expire December 31, 2025.

Added by Acts 2007, 80th Leg., R.S., Ch. 830 (H.B. 621), Sec. 1, eff. January 1, 2008.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 48.01, eff. January 1, 2012.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 48.02, eff. October 1, 2011.

Acts 2021, 87th Leg., R.S., Ch. 644 (H.B. 988), Sec. 7, eff. January 1, 2022.

Sec. 11.254. MOTOR VEHICLE USED FOR PRODUCTION OF INCOME AND FOR PERSONAL ACTIVITIES. (a) Except as provided by Subsection (c), an individual is entitled to an exemption from taxation of one motor vehicle owned by the individual that is used in the course of the individual's occupation or profession and is also used for personal activities of the owner that do not involve the production of income.

(b) In this section, "motor vehicle" means a passenger car or light truck as those terms are defined by Section 502.001, Transportation Code.

(c) A person who has been granted or applied for an exemption under this section may not apply for another exemption under this section until after the application or exemption has

been denied.

(d) This section does not apply to a motor vehicle used to transport passengers for hire.

Added by Acts 2007, 80th Leg., R.S., Ch. 842 (H.B. 1022), Sec. 1. Renumbered from Tax Code, Section 11.253 by Acts 2009, 81st Leg., R.S., Ch. 706 (H.B. 2814), Sec. 2, eff. January 1, 2010.

Sec. 11.26. LIMITATION OF SCHOOL TAX ON HOMESTEADS OF ELDERLY OR DISABLED. (a) The tax officials shall appraise the property to which this section applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. A school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years of age or older or on the residence homestead of an individual who is disabled, as defined by Section 11.13, above the amount of the tax it imposed in the first tax year in which the individual qualified that residence homestead for the applicable exemption provided by Section 11.13(c) for an individual who is 65 years of age or older or is disabled. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the same exemption for the next year, and if the school district taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a school district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed in the year immediately following the first year for which the individual qualified that residence homestead for the same exemption, except as provided by Subsection (b).

(a-4) In this section, "maximum compressed rate" means the maximum compressed rate of a school district as calculated under Section 48.2551, Education Code.

(a-10) Notwithstanding the other provisions of this section, if in the 2024 or a subsequent tax year an individual qualifies for a limitation on tax increases provided by this

section on the individual's residence homestead, the amount of the limitation provided by this section on the homestead is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the preceding tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the preceding tax year and the district's maximum compressed rate for the current tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the preceding tax year;

(3) adding any tax imposed in the current tax year attributable to improvements made in the preceding tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the amount of any increase in the current tax year as compared to the preceding tax year in the aggregate amount of the exemptions to which the individual is entitled under Sections 11.13(b) and (c) by the school district's tax rate for the current tax year; and

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3).

(a-11) This subsection applies only in the tax year immediately following the first tax year an individual qualifies a residence homestead for an exemption under Section 11.13(c) after the beginning of that first tax year, provided that the homestead remains eligible for that same exemption in that following tax year. Notwithstanding Subsection (a-10), the amount of the limitation provided by this section on an individual's residence homestead for the tax year to which this section applies is equal to the lesser of:

(1) the amount of the limitation as computed under Subsection (a-10) for that tax year; or

(2) the amount of tax imposed by the school district on that residence homestead, calculated without regard to the limitation on tax increases provided by this section, in that tax year.

(b) If an individual makes improvements to the individual's residence homestead, other than improvements required to comply with governmental requirements or repairs, the school district may increase the tax on the homestead in the first year the value of the homestead is increased on the appraisal roll because of the enhancement of value by the improvements. The amount of the tax increase is determined by applying the current tax rate to the difference in the assessed value of the homestead with the improvements and the assessed value it would have had without the improvements. A limitation imposed by this section then applies to the increased amount of tax until more improvements, if any, are made.

(c) The limitation on tax increases required by this section expires if on January 1:

(1) none of the owners of the structure who qualify for the exemption and who owned the structure when the limitation first took effect is using the structure as a residence homestead; or

(2) none of the owners of the structure qualifies for the exemption.

(d) If the appraisal roll provides for taxation of appraised value for a prior year because a residence homestead exemption for individuals 65 years of age or older or for disabled individuals was erroneously allowed, the tax assessor shall add, as back taxes due as provided by Section 26.09(d), the positive difference if any between the tax that should have been imposed for that year and the tax that was imposed because of the provisions of this section.

(e) For each school district in an appraisal district, the chief appraiser shall determine the portion of the appraised value of residence homesteads of individuals on which school district taxes are not imposed in a tax year because of the limitation on tax increases imposed by this section. That portion is calculated by determining the taxable value that, if multiplied by the tax rate adopted by the school district for the tax year, would produce an amount equal to the amount of tax that would have been imposed by the school district on those residence homesteads if the limitation on tax increases imposed by this section were not in effect, but that was not imposed because of that limitation. The chief

appraiser shall determine that taxable value and certify it to the comptroller as soon as practicable for each tax year.

(e-1) For each school district in an appraisal district, the chief appraiser shall:

(1) determine the number of residence homesteads subject to the limitation on tax increases required by this section for the current tax year; and

(2) report the number to the comptroller when the chief appraiser submits the appraisal roll for county taxes to the county assessor-collector as prescribed by Section 26.01(b).

(e-2) Not later than November 1 of each tax year, the comptroller shall report to the lieutenant governor, the speaker of the house of representatives, and each member of the legislature the total number of residence homesteads in the state subject to the limitation on tax increases required by this section for the current tax year as reported to the comptroller under Subsection (e-1) in that tax year. The report must include the number of those residence homesteads in each school district or a reference to where the information for each school district may be accessed. The comptroller shall ensure that the report does not include personal identifying information of a property owner.

(e-3) For purposes of reporting the number described by Subsection (e-1)(1) to the comptroller under Subsection (e-1)(2), the chief appraiser shall ensure that the report does not include personal identifying information of a property owner.

(f) The limitation on tax increases required by this section does not expire because the owner of an interest in the structure conveys the interest to a qualifying trust as defined by Section 11.13(j) if the owner or the owner's spouse is a trustor of the trust and is entitled to occupy the structure.

(g) Except as provided by Subsection (b), if an individual who receives a limitation on tax increases imposed by this section, including a surviving spouse who receives a limitation under Subsection (i), subsequently qualifies a different residence homestead for the same exemption under Section 11.13, a school district may not impose ad valorem taxes on the subsequently qualified homestead in a year in an amount that exceeds the amount

of taxes the school district would have imposed on the subsequently qualified homestead in the first year in which the individual receives that same exemption for the subsequently qualified homestead had the limitation on tax increases imposed by this section not been in effect, multiplied by a fraction the numerator of which is the total amount of school district taxes imposed on the former homestead in the last year in which the individual received that same exemption for the former homestead and the denominator of which is the total amount of school district taxes that would have been imposed on the former homestead in the last year in which the individual received that same exemption for the former homestead had the limitation on tax increases imposed by this section not been in effect.

(h) An individual who receives a limitation on tax increases under this section, including a surviving spouse who receives a limitation under Subsection (i), and who subsequently qualifies a different residence homestead for an exemption under Section 11.13, or an agent of the individual, is entitled to receive from the chief appraiser of the appraisal district in which the former homestead was located a written certificate providing the information necessary to determine whether the individual may qualify for that same limitation on the subsequently qualified homestead under Subsection (g) and to calculate the amount of taxes the school district may impose on the subsequently qualified homestead.

(i) If an individual who qualifies for the exemption provided by Section 11.13(c) dies, the surviving spouse of the individual is entitled to the limitation applicable to the residence homestead of the individual if:

(1) the surviving spouse is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

(B) remains the residence homestead of the surviving spouse.

(i-1) A limitation under Subsection (i) applicable to the residence homestead of the surviving spouse of an individual who

was disabled and who died before January 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died.

(j) If an individual who qualifies for an exemption provided by Section 11.13(c) for an individual 65 years of age or older dies in the first year in which the individual qualified for the exemption and the individual first qualified for the exemption after the beginning of that year, except as provided by Subsection (k), the amount to which the surviving spouse's school district taxes are limited under Subsection (i) is the amount of school district taxes imposed on the residence homestead in that year determined as if the individual qualifying for the exemption had lived for the entire year.

(k) If in the first tax year after the year in which an individual dies in the circumstances described by Subsection (j) the amount of school district taxes imposed on the residence homestead of the surviving spouse is less than the amount of school district taxes imposed in the preceding year as limited by Subsection (j), in a subsequent tax year the surviving spouse's school district taxes on that residence homestead are limited to the amount of taxes imposed by the district in that first tax year after the year in which the individual dies.

(l) For the purpose of calculating a limitation on ad valorem tax increases by a school district under this section, an individual who qualified a residence homestead before January 1, 2003, for an exemption under Section 11.13(c) for a disabled individual is considered to have first qualified the homestead for that exemption on January 1, 2003.

(m) For the purpose of qualifying under Subsection (g) for the limitation on ad valorem taxes on a subsequently qualified homestead imposed by a school district, the residence homestead of a disabled individual may be considered to be a subsequently qualified homestead only if the disabled individual qualified the former homestead for an exemption under Section 11.13(c) for a disabled individual for a tax year beginning on or after January 1, 2003.

(n) Notwithstanding Subsection (c), the limitation on tax

increases required by this section does not expire if the owner of the structure qualifies for an exemption under Section 11.13 under the circumstances described by Section 11.135(a).

(o) Notwithstanding Subsections (a) and (b), an improvement to property that would otherwise constitute an improvement under Subsection (b) is not treated as an improvement under that subsection if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property in the tax year in which the structure would have constituted an improvement under Subsection (b), the replacement structure is considered to be an improvement under that subsection only if:

(1) the square footage of the replacement structure exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure.

(p) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

Acts 1979, 66th Leg., p. 2244, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1981, 67th Leg., 1st C.S., p. 130, ch. 13, Sec. 38, eff. Jan. 1, 1982; Acts 1984, 68th Leg., 2nd C.S., ch. 28, art. II, Sec. 16, eff. Sept. 1, 1984; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 10, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 854, Sec. 2, eff. Jan. 1, 1994; Acts 1997, 75th Leg., ch. 592, Sec. 2.02; Acts 1997, 75th Leg., ch. 1039, Sec. 11, 14; Acts 1997, 75th Leg., ch. 1059, Sec. 3, eff. June 19, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 16.01, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1481, Sec. 2, eff. Jan. 1, 2000; Acts 2001, 77th Leg., ch. 193, Sec. 1, eff. Jan. 1, 2002; Acts 2001, 77th Leg., ch. 1420, Sec. 18.003, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 411, Sec. 1, 2, eff. Jan. 1, 2004. Amended by:

Acts 2007, 80th Leg., R.S., Ch. 19 (H.B. 5), Sec. 1, eff. May 12, 2007.

Acts 2009, 81st Leg., R.S., Ch. 359 (H.B. 1257), Sec. 1(b),

eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 4, eff. January 1, 2010.

Acts 2015, 84th Leg., R.S., Ch. 465 (S.B. 1), Sec. 2, eff. November 3, 2015.

Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 4, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1284 (H.B. 1313), Sec. 1, eff. January 1, 2020.

Acts 2021, 87th Leg., 2nd C.S., Ch. 14 (S.B. 12), Sec. 1, eff. January 1, 2023.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 3.02, eff. November 7, 2023.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 3.15(a), eff. November 7, 2023.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 3.15(b), eff. January 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 726 (H.B. 851), Sec. 1, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 1028 (S.B. 2520), Sec. 1, eff. January 1, 2026.

Sec. 11.261. LIMITATION OF COUNTY, MUNICIPAL, OR JUNIOR COLLEGE DISTRICT TAX ON HOMESTEADS OF DISABLED AND ELDERLY. (a) This section applies only to a county, municipality, or junior college district that has established a limitation on the total amount of taxes that may be imposed by the county, municipality, or junior college district on the residence homestead of a disabled individual or an individual 65 years of age or older under Section 1-b(h), Article VIII, Texas Constitution.

(b) The tax officials shall appraise the property to which the limitation applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation provided by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. The county, municipality, or junior college district may not increase the total annual amount of ad valorem taxes the county, municipality, or

junior college district imposes on the residence homestead of a disabled individual or an individual 65 years of age or older above the amount of the taxes the county, municipality, or junior college district imposed on the residence homestead in the first tax year, other than a tax year preceding the tax year in which the county, municipality, or junior college district established the limitation described by Subsection (a), in which the individual qualified that residence homestead for the exemption provided by Section 11.13(c) for a disabled individual or an individual 65 years of age or older. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the exemption for the next year, and if the county, municipal, or junior college district taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a county, municipality, or junior college district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed on the residence homestead in the year immediately following the first year, other than a tax year preceding the tax year in which the county, municipality, or junior college district established the limitation described by Subsection (a), for which the individual qualified that residence homestead for the exemption.

(c) If an individual makes improvements to the individual's residence homestead, other than repairs and other than improvements required to comply with governmental requirements, the county, municipality, or junior college district may increase the amount of taxes on the homestead in the first year the value of the homestead is increased on the appraisal roll because of the enhancement of value by the improvements. The amount of the tax increase is determined by applying the current tax rate to the difference between the appraised value of the homestead with the improvements and the appraised value it would have had without the improvements. A limitation provided by this section then applies to the increased amount of county, municipal, or junior college district taxes on the residence homestead until more improvements, if any, are made.

(d) A limitation on county, municipal, or junior college

district tax increases provided by this section expires if on January 1:

(1) none of the owners of the structure who qualify for the exemption provided by Section 11.13(c) for a disabled individual or an individual 65 years of age or older and who owned the structure when the limitation provided by this section first took effect is using the structure as a residence homestead; or

(2) none of the owners of the structure qualifies for the exemption provided by Section 11.13(c) for a disabled individual or an individual 65 years of age or older.

(e) If the appraisal roll provides for taxation of appraised value for a prior year because a residence homestead exemption for disabled individuals or individuals 65 years of age or older was erroneously allowed, the tax assessor for the applicable county, municipality, or junior college district shall add, as back taxes due as provided by Section 26.09(d), the positive difference, if any, between the tax that should have been imposed for that year and the tax that was imposed because of the provisions of this section.

(f) A limitation on tax increases provided by this section does not expire because the owner of an interest in the structure conveys the interest to a qualifying trust as defined by Section 11.13(j) if the owner or the owner's spouse is a trustor of the trust and is entitled to occupy the structure.

(g) Except as provided by Subsection (c), if an individual who receives a limitation on county, municipal, or junior college district tax increases provided by this section subsequently qualifies a different residence homestead in the same county, municipality, or junior college district for an exemption under Section 11.13, the county, municipality, or junior college district may not impose ad valorem taxes on the subsequently qualified homestead in a year in an amount that exceeds the amount of taxes the county, municipality, or junior college district would have imposed on the subsequently qualified homestead in the first year in which the individual receives that exemption for the subsequently qualified homestead had the limitation on tax increases provided by this section not been in effect, multiplied by a fraction the numerator of which is the total amount of taxes

the county, municipality, or junior college district imposed on the former homestead in the last year in which the individual received that exemption for the former homestead and the denominator of which is the total amount of taxes the county, municipality, or junior college district would have imposed on the former homestead in the last year in which the individual received that exemption for the former homestead had the limitation on tax increases provided by this section not been in effect.

(h) An individual who receives a limitation on county, municipal, or junior college district tax increases under this section and who subsequently qualifies a different residence homestead in the same county, municipality, or junior college district for an exemption under Section 11.13, or an agent of the individual, is entitled to receive from the chief appraiser of the appraisal district in which the former homestead was located a written certificate providing the information necessary to determine whether the individual may qualify for a limitation on the subsequently qualified homestead under Subsection (g) and to calculate the amount of taxes the county, municipality, or junior college district may impose on the subsequently qualified homestead.

(i) If an individual who qualifies for a limitation on county, municipal, or junior college district tax increases under this section dies, the surviving spouse of the individual is entitled to the limitation on taxes imposed by the county, municipality, or junior college district on the residence homestead of the individual if:

(1) the surviving spouse is disabled or is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

(B) remains the residence homestead of the surviving spouse.

(j) If an individual who is 65 years of age or older and qualifies for a limitation on county, municipal, or junior college district tax increases for the elderly under this section dies in

the first year in which the individual qualified for the limitation and the individual first qualified for the limitation after the beginning of that year, except as provided by Subsection (k), the amount to which the surviving spouse's county, municipal, or junior college district taxes are limited under Subsection (i) is the amount of taxes imposed by the county, municipality, or junior college district, as applicable, on the residence homestead in that year determined as if the individual qualifying for the exemption had lived for the entire year.

(k) If in the first tax year after the year in which an individual who is 65 years of age or older dies under the circumstances described by Subsection (j) the amount of taxes imposed by a county, municipality, or junior college district on the residence homestead of the surviving spouse is less than the amount of taxes imposed by the county, municipality, or junior college district in the preceding year as limited by Subsection (j), in a subsequent tax year the surviving spouse's taxes imposed by the county, municipality, or junior college district on that residence homestead are limited to the amount of taxes imposed by the county, municipality, or junior college district in that first tax year after the year in which the individual dies.

(l) Notwithstanding Subsection (d), a limitation on county, municipal, or junior college district tax increases provided by this section does not expire if the owner of the structure qualifies for an exemption under Section 11.13 under the circumstances described by Section 11.135(a).

(m) Notwithstanding Subsections (b) and (c), an improvement to property that would otherwise constitute an improvement under Subsection (c) is not treated as an improvement under that subsection if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property in the tax year in which the structure would have constituted an improvement under Subsection (c), the replacement structure is considered to be an improvement under that subsection only if:

(1) the square footage of the replacement structure

exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure.

(n) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

Added by Acts 2003, 78th Leg., ch. 396, Sec. 1, eff. Jan. 1, 2004.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 359 (H.B. 1257), Sec. 1(c), eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 5, eff. January 1, 2010.

Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 5, eff. September 1, 2019.

Sec. 11.27. SOLAR AND WIND-POWERED ENERGY DEVICES. (a) A person is entitled to an exemption from taxation of the amount of appraised value of real property owned by the person that arises from the installation or construction on the property of a solar or wind-powered energy device that is primarily for production and distribution of energy for on-site use.

(a-1) A person is entitled to an exemption from taxation of the appraised value of a solar or wind-powered energy device owned by the person that is installed or constructed on real property and is primarily for production and distribution of energy for on-site use regardless of whether the person owns the real property on which the device is installed or constructed.

(b) The comptroller, with the assistance of the Texas Energy and Natural Resources Advisory Council, or its successor, shall develop guidelines to assist local officials in the administration of this section.

(c) In this section:

(1) "Solar energy device" means an apparatus designed or adapted to convert the radiant energy from the sun, including energy imparted to plants through photosynthesis employing the

bioconversion processes of anaerobic digestion, gasification, pyrolysis, or fermentation, but not including direct combustion, into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute radiant solar energy or the energy to which the radiant solar energy is converted.

(2) "Wind-powered energy device" means an apparatus designed or adapted to convert the energy available in the wind into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute the converted energy.

Added by Acts 1981, 67th Leg., 1st C.S., p. 130, ch. 13, Sec. 39, eff. Jan. 1, 1982. Amended by Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 11, eff. Sept. 1, 1991.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 533 (S.B. 63), Sec. 6, eff. September 1, 2021.

Sec. 11.271. OFFSHORE DRILLING EQUIPMENT NOT IN USE. (a) In this section:

(1) "Environmental protection agency of the United States" includes:

(A) the United States Department of the Interior and any agency, bureau, or other entity established in that department, including the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management, Regulation and Enforcement; and

(B) any other department, agency, bureau, or entity of the United States that prescribes rules or regulations described by Subdivision (2)(A).

(2) "Offshore spill response containment system" means a marine or mobile containment system that:

(A) is designed and used or intended to be used solely to implement a response plan that meets or exceeds rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the control, reduction, or monitoring of air, water, or land

pollution in the event of a blowout or loss of control of an offshore well drilled or used for the exploration for or production of oil or gas;

(B) has a design capability to respond to a blowout or loss of control of an offshore well drilled or used for the exploration for or production of oil or gas that is drilled in more than 5,000 feet of water;

(C) is used or intended to be used solely to respond to a blowout or loss of control of an offshore well drilled or used for the exploration for or production of oil or gas without regard to the depth of the water in which the well is drilled; and

(D) except for any monitoring function for which the system may be used, is used or intended to be used as a temporary measure to address fugitive oil, gas, sulfur, or other minerals after a leak has occurred and is not used or intended to be used after the leak has been contained as a continuing means of producing oil, gas, sulfur, or other minerals.

(3) "Rules or regulations adopted by any environmental protection agency of the United States" includes 30 C.F.R. Part 254 and any corresponding provision or provisions of succeeding, similar, substitute, proposed, or final federal regulations.

(b) An owner or lessee of a marine or mobile drilling unit designed for offshore drilling of oil or gas wells is entitled to an exemption from taxation of the drilling unit if the drilling unit:

(1) is being stored in a county bordering on the Gulf of Mexico or on a bay or other body of water immediately adjacent to the Gulf of Mexico;

(2) is not being stored for the sole purpose of repair or maintenance; and

(3) is not being used to drill a well at the location at which it is being stored.

(c) A person is entitled to an exemption from taxation of the personal property the person owns or leases that is used, constructed, acquired, stored, or installed solely as part of an offshore spill response containment system, or that is used solely for the development, improvement, storage, deployment, repair, maintenance, or testing of such a system, if the system is being

stored while not in use in a county bordering on the Gulf of Mexico or on a bay or other body of water immediately adjacent to the Gulf of Mexico. Property described by this subsection and not used for any other purpose is considered to be property used wholly as an integral part of mobile or marine drilling equipment designed for offshore drilling of oil or gas wells.

(d) Subsection (c) does not apply to personal property used, wholly or partly, for the exploration for or production of oil, gas, sulfur, or other minerals, including the equipment, piping, casing, and other components of an oil or gas well. For purposes of this subsection, the offshore capture of fugitive oil, gas, sulfur, or other minerals that is entirely incidental to the property's temporary use as an offshore spill response containment system is not considered to be production of those substances.

(e) Subsection (c) does not apply to personal property that was used, constructed, acquired, stored, or installed in this state on or before January 1, 2013.

(f) To qualify for an exemption under Subsection (c), the person owning or leasing the property must be an entity formed primarily for the purpose of designing, developing, modifying, enhancing, assembling, operating, deploying, and maintaining an offshore spill response containment system. A person may not qualify for the exemption by providing services to or for an offshore spill response containment system that the person does not own or lease.

Added by Acts 1987, 70th Leg., ch. 805, Sec. 1, eff. Jan. 1, 1988.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 942 (H.B. 1712), Sec. 1, eff. June 14, 2013.

Sec. 11.28. PROPERTY EXEMPTED FROM CITY TAXATION BY AGREEMENT. The owner of property to which an agreement made under the Property Redevelopment and Tax Abatement Act (Chapter 312 of this code) applies is entitled to exemption from taxation by an incorporated city or town or other taxing unit of all or part of the value of the property as provided by the agreement.

Added by Acts 1981, 67th Leg., 1st C.S., p. 56, ch. 5, Sec. 7.

Amended by Acts 1987, 70th Leg., ch. 191, Sec. 2, eff. Sept. 1, 1987.

Sec. 11.29. INTRACOASTAL WATERWAY DREDGE DISPOSAL SITE. (a) A person is entitled to an exemption from taxation of land that the person owns and that has been dedicated by recorded donated easement dedicating said land as a disposal site for depositing and discharging materials dredged from the main channel of the Gulf Intracoastal Waterway by or under the direction of the state or federal government.

(b) An exemption granted under this section terminates when the land ceases to be used as an active dredge material disposal site described by Subsection (a) of this section and is no longer dedicated for that purpose.

Added by Acts 1987, 70th Leg., ch. 428, Sec. 1, eff. Jan. 1, 1988.

Sec. 11.30. NONPROFIT WATER SUPPLY OR WASTEWATER SERVICE CORPORATION. (a) A corporation organized under Chapter 67, Water Code, that provides in the bylaws of the corporation that on dissolution of the corporation the assets of the corporation remaining after discharge of the corporation's indebtedness shall be transferred to an entity that provides a water supply or wastewater service, or both, that is exempt from ad valorem taxation is entitled to an exemption from taxation of:

(1) property that the corporation owns and that is reasonably necessary for and used in the operation of the corporation:

(A) to acquire, treat, store, transport, sell, or distribute water; or

(B) to provide wastewater service; and

(2) the real property owned by the corporation consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used in the operation of the corporation for a purpose described by

Subdivision (1) when complete; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement in the operation of the corporation for a purpose described by Subdivision (1).

(b) A property may not be exempted under Subsection (a)(2) for more than three years.

(c) For purposes of Subsection (a)(2), an incomplete improvement is under physical preparation if the corporation has:

(1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or

(2) conducted an environmental or land use study relating to the construction of the improvement.

Added by Acts 1991, 72nd Leg., ch. 306, Sec. 1, eff. Jan. 1, 1992. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 18.46, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 138, Sec. 6, eff. May 18, 1999; Acts 2003, 78th Leg., ch. 288, Sec. 1.07, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 288, Sec. 2.07, eff. Jan. 1, 2006.

Sec. 11.31. POLLUTION CONTROL PROPERTY. (a) A person is entitled to an exemption from taxation of all or part of real and personal property that the person owns and that is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution. A person is not entitled to an exemption from taxation under this section solely on the basis that the person manufactures or produces a product or provides a service that prevents, monitors, controls, or reduces air, water, or land pollution. Property used for residential purposes, or for recreational, park, or scenic uses as defined by Section 23.81, is ineligible for an exemption under this section.

(b) In this section, "facility, device, or method for the control of air, water, or land pollution" means land that is acquired after January 1, 1994, or any structure, building, installation, excavation, machinery, equipment, or device, and any attachment or addition to or reconstruction, replacement, or improvement of that property, that is used, constructed, acquired,

or installed wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air, water, or land pollution. This section does not apply to a motor vehicle.

(c) In applying for an exemption under this section, a person seeking the exemption shall present in a permit application or permit exemption request to the executive director of the Texas Commission on Environmental Quality information detailing:

(1) the anticipated environmental benefits from the installation of the facility, device, or method for the control of air, water, or land pollution;

(2) the estimated cost of the pollution control facility, device, or method; and

(3) the purpose of the installation of such facility, device, or method, and the proportion of the installation that is pollution control property.

If the installation includes property that is not used wholly for the control of air, water, or land pollution, the person seeking the exemption shall also present such financial or other data as the executive director requires by rule for the determination of the proportion of the installation that is pollution control property.

(d) Following submission of the information required by Subsection (c), the executive director of the Texas Commission on Environmental Quality shall determine if the facility, device, or method is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution. As soon as practicable, the executive director shall send notice by regular mail or by electronic means to the chief appraiser of the appraisal district for the county in which the property is located that the person has applied for a determination under this subsection. The executive director shall issue a letter to the person stating the executive director's determination of whether the facility, device, or method is used wholly or partly to control pollution and, if applicable, the proportion of the property that is pollution control property. The executive director shall send a copy of the letter by regular mail or by electronic means to the chief appraiser

of the appraisal district for the county in which the property is located.

(e) Not later than the 20th day after the date of receipt of the letter issued by the executive director, the person seeking the exemption or the chief appraiser may appeal the executive director's determination to the Texas Commission on Environmental Quality. The commission shall consider the appeal at the next regularly scheduled meeting of the commission for which adequate notice may be given. The person seeking the determination and the chief appraiser may testify at the meeting. The commission may remand the matter to the executive director for a new determination or deny the appeal and affirm the executive director's determination. On issuance of a new determination, the executive director shall issue a letter to the person seeking the determination and provide a copy to the chief appraiser as provided by Subsection (d). A new determination of the executive director may be appealed to the commission in the manner provided by this subsection. A proceeding under this subsection is not a contested case for purposes of Chapter 2001, Government Code.

(e-1) The executive director shall issue a determination letter required by Subsection (d) to the person seeking the exemption, and the commission shall take final action on the initial appeal under Subsection (e) if an appeal is made, not later than the first anniversary of the date the executive director declares the application to be administratively complete.

(f) The commission may charge a person seeking a determination that property is pollution control property an additional fee not to exceed its administrative costs for processing the information, making the determination, and issuing the letter required by this section.

(g) The commission shall adopt rules to implement this section. Rules adopted under this section must:

(1) establish specific standards for considering applications for determinations;

(2) be sufficiently specific to ensure that determinations are equal and uniform; and

(3) allow for determinations that distinguish the

proportion of property that is used to control, monitor, prevent, or reduce pollution from the proportion of property that is used to produce goods or services.

(g-1) The standards and methods for making a determination under this section that are established in the rules adopted under Subsection (g) apply uniformly to all applications for determinations under this section, including applications relating to facilities, devices, or methods for the control of air, water, or land pollution included on a list adopted by the Texas Commission on Environmental Quality under Subsection (k).

(h) The executive director may not make a determination that property is pollution control property unless the property meets the standards established under rules adopted under this section.

(i) A person seeking an exemption under this section shall provide to the chief appraiser a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d) determining that the facility, device, or method is used wholly or partly as pollution control property. The chief appraiser shall accept a final determination by the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property.

(j) This section does not apply to a facility, device, or method for the control of air, water, or land pollution that was subject to a tax abatement agreement executed before January 1, 1994.

(k) The Texas Commission on Environmental Quality shall adopt rules establishing a nonexclusive list of facilities, devices, or methods for the control of air, water, or land pollution, which must include:

(1) coal cleaning or refining facilities;

(2) atmospheric or pressurized and bubbling or circulating fluidized bed combustion systems and gasification fluidized bed combustion combined cycle systems;

(3) ultra-supercritical pulverized coal boilers;

(4) flue gas recirculation components;

(5) syngas purification systems and gas-cleanup units;

(6) enhanced heat recovery systems;

(7) exhaust heat recovery boilers;

(8) heat recovery steam generators;

(9) superheaters and evaporators;

(10) enhanced steam turbine systems;

(11) methanation;

(12) coal combustion or gasification byproduct and coproduct handling, storage, or treatment facilities;

(13) biomass cofiring storage, distribution, and firing systems;

(14) coal cleaning or drying processes, such as coal drying/moisture reduction, air jigging, precombustion decarbonization, and coal flow balancing technology;

(15) oxy-fuel combustion technology, amine or chilled ammonia scrubbing, fuel or emission conversion through the use of catalysts, enhanced scrubbing technology, modified combustion technology such as chemical looping, and cryogenic technology;

(16) if the United States Environmental Protection Agency adopts a final rule or regulation regulating carbon dioxide as a pollutant, property that is used, constructed, acquired, or installed wholly or partly to capture carbon dioxide from an anthropogenic source in this state that is geologically sequestered in this state;

(17) fuel cells generating electricity using hydrogen derived from coal, biomass, petroleum coke, or solid waste; and

(18) any other equipment designed to prevent, capture, abate, or monitor nitrogen oxides, volatile organic compounds, particulate matter, mercury, carbon monoxide, or any criteria pollutant.

(l) The Texas Commission on Environmental Quality by rule shall update the list adopted under Subsection (k) at least once every three years. An item may be removed from the list if the commission finds compelling evidence to support the conclusion that the item does not provide pollution control benefits.

(m) Notwithstanding the other provisions of this section, if the facility, device, or method for the control of air, water, or land pollution described in an application for an exemption under

this section is a facility, device, or method included on the list adopted under Subsection (k), the executive director of the Texas Commission on Environmental Quality, not later than the 30th day after the date of receipt of the information required by Subsections (c)(2) and (3) and without regard to whether the information required by Subsection (c)(1) has been submitted, shall determine that the facility, device, or method described in the application is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution and shall take the actions that are required by Subsection (d) in the event such a determination is made.

(n) The Texas Commission on Environmental Quality shall establish a permanent advisory committee consisting of representatives of industry, appraisal districts, taxing units, and environmental groups, as well as members who are not representatives of any of those entities but have substantial technical expertise in pollution control technology and environmental engineering, to advise the commission regarding the implementation of this section. At least one member of the advisory committee must be a representative of a school district or junior college district in which property is located that is or previously was subject to an exemption under this section. Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory committee.

Added by Acts 1993, 73rd Leg., ch. 285, Sec. 1, eff. Jan. 1, 1994. Amended by Acts 2001, 77th Leg., ch. 881, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1277 (H.B. 3732), Sec. 4, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 943 (H.B. 3206), Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 962 (H.B. 3544), Sec. 2, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 962 (H.B. 3544), Sec. 3, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1006 (H.B. 2280), Sec. 1, eff.

June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 964 (H.B. 1897), Sec. 1, eff. September 1, 2013.

Sec. 11.311. LANDFILL-GENERATED GAS CONVERSION FACILITIES. (a) Repealed by Acts 2015, 84th Leg., R.S., Ch. 1244 , Sec. 1, eff. January 1, 2016.

(b) A person is entitled to an exemption from taxation of tangible personal property the person owns that is located on or in close proximity to a landfill and is used to:

(1) collect gas generated by the landfill;

(2) compress and transport the gas;

(3) process the gas so that it may be:

(A) delivered into a natural gas pipeline; or

(B) used as a transportation fuel in methane-powered on-road or off-road vehicles or equipment; and

(4) deliver the gas:

(A) into a natural gas pipeline; or

(B) to a methane fueling station.

(c) Property described by this section is considered to be property used as a facility, device, or method for the control of air, water, or land pollution.

(d) Repealed by Acts 2015, 84th Leg., R.S., Ch. 1244 , Sec. 1, eff. January 1, 2016.

(e) Property described by Subsection (b) shall be appraised as tangible personal property for ad valorem tax purposes, regardless of whether the property is affixed to or incorporated into real property.

(f) This section may not be construed to exempt from taxation tangible personal property located on or in close proximity to a landfill that is not used in the manner prescribed by Subsection (b).

Added by Acts 2013, 83rd Leg., R.S., Ch. 964 (H.B. 1897), Sec. 2, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1244 (H.B. 994), Sec. 1, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 1244 (H.B. 994), Sec. 2, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 1244 (H.B. 994), Sec. 3, eff. January 1, 2016.

Sec. 11.315. ENERGY STORAGE SYSTEM IN NONATTAINMENT AREA. (a) In this section, "energy storage system" means a device capable of storing energy to be discharged at a later time, including a chemical, mechanical, or thermal storage device.

(b) A person is entitled to an exemption from taxation by a taxing unit of an energy storage system owned by the person if:

(1) the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the governing body; and

(2) the energy storage system:

(A) is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air pollution;

(B) is located in:

(i) an area designated as a nonattainment area within the meaning of Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407); and

(ii) a municipality with a population of at least 150,000 adjacent to a municipality with a population of more than two million;

(C) has a capacity of at least 10 megawatts; and

(D) is installed on or after January 1, 2014.

(c) Once authorized, an exemption adopted under this section may be repealed by the governing body of a taxing unit in the manner provided by law for official action by the governing body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1030 (H.B. 2712), Sec. 1, eff. January 1, 2014.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 218, eff. September 1, 2023.

Sec. 11.32. CERTAIN WATER CONSERVATION INITIATIVES. The governing body of a taxing unit by official action of the governing body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of property on which approved water conservation initiatives, desalination projects, or brush control initiatives have been implemented. For purposes of this section, approved water conservation, desalination, and brush control initiatives shall be designated pursuant to an ordinance or other law adopted by the governing unit. Added by Acts 1997, 75th Leg., ch. 1010, Sec. 5.11. Amended by Acts 2001, 77th Leg., ch. 966, Sec. 4.24, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1234, Sec. 38, eff. Sept. 1, 2001.

Sec. 11.33. RAW COCOA AND GREEN COFFEE HELD IN HARRIS COUNTY. (a) A person is entitled to an exemption from taxation of raw cocoa and green coffee that the person holds in Harris County.

(b) An exemption granted under this section, once allowed, need not be claimed in subsequent years, and the exemption applies to all raw cocoa and green coffee the person holds until the cocoa's or the coffee's qualification for the exemption changes. The chief appraiser may, however, require a person who holds raw cocoa or green coffee for which an exemption in a prior year has been granted to file a new application to confirm the cocoa's or the coffee's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person.
Added by Acts 2001, 77th Leg., ch. 961, Sec. 1, eff. Jan. 1, 2002.

Sec. 11.34. LIMITATION OF TAXES ON REAL PROPERTY IN DESIGNATED AREAS OF CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality having a population of less than 10,000.

(b) Acting under the authority of Section 1-o, Article VIII, Texas Constitution, the governing body of a municipality, by

official action, may call an election in the municipality to permit the voters of the municipality to determine whether to authorize the governing body to enter into an agreement with an owner of real property in or adjacent to an area in the municipality that has been approved for funding under the programs administered by the Department of Agriculture as described by Section 1-o, Article VIII, Texas Constitution, under which the parties agree that the ad valorem taxes imposed by any political subdivision on the owner's real property may not be increased for the first five tax years after the tax year in which the agreement is entered into, subject to the terms and conditions provided by the agreement.

(c) If the authority to limit tax increases under this section is approved by the voters and the governing body of the municipality enters into an agreement to limit tax increases under this section, the tax officials shall appraise the property to which the limitation applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation, the tax imposed is the amount of the tax as limited by this section, except as provided by Subsections (f) and (g).

(d) An agreement to limit tax increases under this section must be entered into before December 31 of the tax year in which the election was held.

(e) A taxing unit may not increase the total annual amount of ad valorem taxes the taxing unit imposes on the property above the amount of the taxes the taxing unit imposed on the property in the tax year in which the governing body of the municipality entered into an agreement to limit tax increases under this section.

(f) Subject to Subsection (g), an agreement to limit tax increases under this section expires on the earlier of:

(1) January 1 of the sixth tax year following the tax year in which the agreement was entered into; or

(2) January 1 of the first tax year in which the owner of the property when the agreement was entered into ceases to own the property.

(g) If property subject to an agreement to limit tax increases under this section is owned by two or more persons, the limitation expires on January 1 of the first tax year following the

year in which the ownership of at least a 50 percent interest in the property is sold or otherwise transferred.

(h) Notwithstanding Subsection (a), if the population of a municipality to which this section applies when the municipality enters into an agreement to limit taxes under this section subsequently increases to 10,000 or more, the validity of the agreement is not affected by that change in population, and the agreement does not expire because of that change.

Added by Acts 2009, 81st Leg., R.S., Ch. 464 (S.B. 252), Sec. 1, eff. June 19, 2009.

Sec. 11.35. TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY DISASTER.

(a) In this section:

(1) "Damage" means physical damage.

(2) "Qualified property" means property that:

(A) consists of:

(i) tangible personal property used for the production of income;

(ii) an improvement to real property; or

(iii) a manufactured home as that term is defined by Section 1201.003, Occupations Code, that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Section 1201.2055, Occupations Code;

(B) is located in an area declared by the governor to be a disaster area following a disaster;

(C) is at least 15 percent damaged by the disaster, as determined by the chief appraiser under this section; and

(D) for property described by Paragraph (A)(i), is the subject of a rendition statement or property report filed by the property owner under Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

(b) A person is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of qualified

property that the person owns in an amount determined under Subsection (h).

(c) Repealed by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(1), eff. June 16, 2021.

(d) Repealed by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(1), eff. June 16, 2021.

(e) Repealed by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(1), eff. June 16, 2021.

(f) On receipt of an application for the exemption authorized by this section, the chief appraiser shall determine whether any item of qualified property that is the subject of the application is at least 15 percent damaged by the disaster and assign to each such item of qualified property a damage assessment rating of Level I, Level II, Level III, or Level IV, as appropriate, as provided by Subsection (g). In determining the appropriate damage assessment rating, the chief appraiser may rely on information provided by a county emergency management authority, the Federal Emergency Management Agency, or any other source the chief appraiser considers appropriate.

(g) The chief appraiser shall assign to an item of qualified property:

(1) a Level I damage assessment rating if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;

(2) a Level II damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property described by Subsection (a)(2)(A)(ii) or (iii), means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(3) a Level III damage assessment rating if the property is at least 60 percent damaged but is not a total loss, which, for qualified property described by Subsection (a)(2)(A)(ii) or (iii), means that the property has suffered significant structural damage requiring extensive repair due to the

failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

(4) a Level IV damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(h) Subject to Subsection (i), the amount of the exemption authorized by this section for an item of qualified property is determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

(1) 15 percent, if the property is assigned a Level I damage assessment rating;

(2) 30 percent, if the property is assigned a Level II damage assessment rating;

(3) 60 percent, if the property is assigned a Level III damage assessment rating; or

(4) 100 percent, if the property is assigned a Level IV damage assessment rating.

(i) If a person qualifies for the exemption authorized by this section after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under Subsection (h) by a fraction, the denominator of which is 365 and the numerator of which is the number of days remaining in the tax year after the day on which the governor first declares the area in which the person's qualified property is located to be a disaster area, including the day on which the governor makes the declaration.

(j) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each applicable taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector

for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

(k) The exemption authorized by this section expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Section 25.18.

Added by Acts 2019, 86th Leg., R.S., Ch. 1034 (H.B. 492), Sec. 1, eff. January 1, 2020.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 883 (S.B. 1427), Sec. 1, eff. June 16, 2021.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(1), eff. June 16, 2021.

Acts 2025, 89th Leg., R.S., Ch. 993 (S.B. 850), Sec. 2, eff. September 1, 2025.

Sec. 11.351. TEMPORARY EXEMPTION FOR IMPROVEMENT TO RESIDENCE HOMESTEAD DESTROYED BY FIRE. (a) In this section, "residence homestead" has the meaning assigned by Section 11.13.

(b) A person is entitled to an exemption from taxation by a taxing unit in an amount determined under Subsection (d) of the appraised value of an improvement to the person's residence homestead that:

(1) is completely destroyed by a fire;

(2) is a habitable dwelling immediately before the date the fire occurs; and

(3) remains uninhabitable for at least 30 days after the date the fire occurs.

(c) A person is entitled to an exemption provided by this section only for the tax year in which the fire occurs.

(d) The amount of the exemption authorized by this section is calculated by multiplying the appraised value of the improvement for the tax year in which the fire occurs by a fraction, the denominator of which is 365 and the numerator of which is the number of days remaining in the tax year after the date on which the fire occurs.

(e) A property owner must submit an application for an exemption authorized by this section to the chief appraiser of the

appraisal district in which the improvement that is the subject of the application is located not later than the 180th day after the date the fire occurs.

(f) On receipt of an application under Subsection (e), the chief appraiser shall determine whether the improvement that is the subject of the application qualifies for the exemption authorized by this section. In determining whether an improvement qualifies for the exemption authorized by this section, the chief appraiser may rely on information provided by any other source the chief appraiser considers appropriate, including a county fire marshal or an insurance adjuster.

(g) If a person becomes entitled to the exemption authorized by this section after the amount of tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each applicable taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

Added by Acts 2025, 89th Leg., R.S., Ch. 972 (S.B. 467), Sec. 1, eff. January 1, 2026.

Sec. 11.36. MEDICAL OR BIOMEDICAL PROPERTY. (a) In this section:

(1) "Medical or biomedical property" means tangible personal property that is:

(A) stored, used, or consumed in the manufacturing or processing of medical or biomedical products by a medical or biomedical manufacturer; or

(B) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of a condition or disease or in medical or biomedical research, 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, including:

(i) devices;

(ii) therapeutics;

(iii) pharmaceuticals;

(iv) personal protective equipment;

(v) tools, apparatuses, instruments, implants, or other similar or related component parts or accessories;

(vi) property exempted under Section 151.318 from the taxes imposed by Chapter 151; and

(vii) manufacturing inventories, including finished goods.

(2) "Medical or biomedical manufacturing facility" means a facility at which a person conducts manufacturing or processing of medical or biomedical products for the purpose of development and commercialization of products to advance public health.

(b) A person is entitled to an exemption from taxation of medical or biomedical property the person owns or leases that is located in a medical or biomedical manufacturing facility that the person owns or leases.

(c) Notwithstanding Section 11.14(c), the governing body of a taxing unit may not provide for taxation of medical or biomedical property exempted under this section.

Added by Acts 2023, 88th Leg., R.S., Ch. 364 (S.B. 2289), Sec. 1, eff. January 1, 2024.

Sec. 11.37. CHILD-CARE FACILITIES. (a) In this section:

(1) "Child-care facility" means a facility licensed by the Health and Human Services Commission to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers.

(2) "Qualifying child-care facility" means a child-care facility:

(A) the owner or operator of which participates in the Texas Workforce Commission's Texas Rising Star Program as described by Section 2308.3155, Government Code, for that facility; and

(B) at which at least 20 percent of the total number of children enrolled at the facility receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

(b) Subject to Subsection (d), if the governing body of a county or municipality in the manner required by law for official action by the governing body adopts the exemption, a person is entitled to an exemption from taxation by the county or municipality of all or part of the appraised value of:

(1) the real property the person owns and operates as a qualifying child-care facility; or

(2) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

(c) The governing body of a county or municipality may adopt the exemption authorized by this section as a percentage of the appraised value of the property. The percentage specified by the governing body may not be less than 50 percent.

(d) To qualify for the exemption authorized by this section, the property must be:

(1) except as provided by Subsection (e), used exclusively to provide developmental and educational services for children attending the child-care facility; and

(2) reasonably necessary for the operation of the child-care facility.

(e) The use of exempt property for functions other than providing developmental and educational services for children attending the child-care facility located on the property does not result in the loss of an exemption authorized by this section if those other functions are incidental to the use of the property for providing those services to those children and benefit:

(1) those children; or

(2) the staff and faculty of the facility.

(f) A person who claims an exemption under Subsection (b)(2) must include with the application for the exemption an affidavit certifying to the chief appraiser for the appraisal district that appraises the property that is the subject of the application that:

(1) the person has provided to the child-care facility to which the property is leased a disclosure document stating the amount by which the taxes on the property are reduced as a result of the exemption and the method the person will implement to ensure that the rent charged for the lease of the property fully reflects that reduction;

(2) the rent charged for the lease of the property reflects the reduction in the amount of taxes on the property resulting from the exemption through a monthly or annual credit against the rent; and

(3) the person does not charge rent for the lease of the property in an amount that exceeds:

(A) for property that consists of space in a commercial property, the rent charged by the person to other tenants of the commercial property for similar space; or

(B) for property other than property described by Paragraph (A), the average rent charged for comparable rental property.

(g) Notwithstanding any other provision of this section, a person may not claim an exemption under Subsection (b)(2) for property:

(1) for which the person claims an exemption under Section 11.13; or

(2) any part of which is leased by the person to another person for use as a principal residence.

(h) Property is not ineligible for an exemption under this section if a portion of the property is used for functions other than those described by Subsections (d) and (e). However, the exemption does not apply to the value of the portion of the property that is used for those other functions.

(i) Section 25.07 does not apply to a leasehold interest in

property for which the owner receives an exemption under this section.

(j) The comptroller may adopt rules and forms necessary for the administration of this section.

Added by Acts 2023, 88th Leg., R.S., Ch. 281 (S.B. 1145), Sec. 1, eff. January 1, 2024.

Redesignated from Tax Code, Section 11.36 by Acts 2025, 89th Leg., R.S., Ch. 204 (H.B. 1620), Sec. 22.001(36), eff. September 1, 2025.

Sec. 11.38. BORDER SECURITY INFRASTRUCTURE. (a) This section applies only to real property located in a county that borders the United Mexican States.

(b) In this section:

(1) "Border security infrastructure" means a wall, barrier, fence, road, trench, apparatus, or other improvement designed or adapted to surveil or impede the movement of persons or objects crossing the Texas-Mexico border.

(2) "Qualified border security infrastructure agreement" means a written agreement entered into between a property owner and this state or the United States to install or construct border security infrastructure on the owner's property. The agreement may provide for the installation or construction of additional improvements on the property that are not border security infrastructure.

(c) A person is entitled to an exemption from taxation of the amount of appraised value of real property owned by the person that arises from the installation or construction on the property of an improvement that is installed or constructed:

(1) under a qualified border security infrastructure agreement; or

(2) on land subject to a recorded easement granted by the property owner to this state or the United States that dedicates the property for a purpose described by Subsection (b)(1).

Added by Acts 2025, 89th Leg., R.S., Ch. 371 (H.B. 247), Sec. 1, eff. January 1, 2026.

SUBCHAPTER C. ADMINISTRATION OF EXEMPTIONS

Sec. 11.41. PARTIAL OWNERSHIP OF EXEMPT PROPERTY. (a) If a person who qualifies for an exemption as provided by this chapter is not the sole owner of the property to which the exemption applies, the exemption shall be multiplied by a fraction, the numerator of which is the value of the property interest the person owns and the denominator of which is the value of the property.

(b) In the application of this section, community ownership by a person who qualifies for the exemption and the person's spouse is treated as if the person owns the community interest of the person's spouse.

(c) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

Acts 1979, 66th Leg., p. 2244, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1997, 75th Leg., ch. 194, Sec. 2, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1039, Sec. 15, eff. Jan. 1, 1998.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 6, eff. September 1, 2019.

Sec. 11.42. EXEMPTION QUALIFICATION DATE. (a) Except as provided by Subsections (b) and (c) and by Sections 11.421, 11.422, 11.434, 11.435, and 11.436, eligibility for and amount of an exemption authorized by this chapter for any tax year are determined by a claimant's qualifications on January 1. A person who does not qualify for an exemption on January 1 of any year may not receive the exemption that year.

(b) An exemption authorized by Section 11.11 or 11.141 is effective immediately on qualification for the exemption.

(c) An exemption authorized by Section 11.13(c) or (d), 11.132, 11.133, 11.134, or 11.136 is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year.

(d) A person who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.17, 11.18, 11.19, 11.20, 11.21, 11.23, 11.231, 11.30, or 11.36 for the

applicable portion of that tax year immediately on qualification for the exemption.

(e) A person who qualifies for an exemption under Section 11.131 or 11.35 after January 1 of a tax year may receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption.

(f) A person who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.13, other than an exemption authorized by Section 11.13(c) or (d), for the applicable portion of that tax year immediately on qualification for the exemption if the preceding owner did not receive the same exemption for that tax year.

Acts 1979, 66th Leg., p. 2245, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1987, 70th Leg., ch. 640, Sec. 2, eff. Aug. 31, 1987; Acts 1991, 72nd Leg., ch. 836, Sec. 6.1, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 345, Sec. 2, eff. Jan. 1, 1994; Acts 1997, 75th Leg., ch. 1039, Sec. 16, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1059, Sec. 1, eff. June 19, 1997; Acts 1997, 75th Leg., ch. 1155, Sec. 1, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 1481, Sec. 3, eff. Jan. 1, 2000; Acts 2003, 78th Leg., ch. 411, Sec. 3, eff. Jan. 1, 2004.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 6, eff. January 1, 2010.

Acts 2011, 82nd Leg., R.S., Ch. 597 (S.B. 201), Sec. 1, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. 97), Sec. 2, eff. January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 138 (S.B. 163), Sec. 2, eff. January 1, 2014.

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(25), eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. 15), Sec. 2, eff. January 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 459 (H.B. 2859), Sec. 2, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 1034 (H.B. 492), Sec. 2, eff.

January 1, 2020.

Acts 2021, 87th Leg., 2nd C.S., Ch. 12 (S.B. 8), Sec. 1, eff. January 1, 2022.

Acts 2023, 88th Leg., R.S., Ch. 364 (S.B. 2289), Sec. 2, eff. January 1, 2024.

Acts 2025, 89th Leg., R.S., Ch. 592 (H.B. 2508), Sec. 2, eff. January 1, 2026.

Sec. 11.421. QUALIFICATION OF RELIGIOUS ORGANIZATION. (a) If the chief appraiser denies a timely filed application for an exemption under Section 11.20 for an organization that otherwise qualified for the exemption on January 1 of the year but that did not satisfy the requirements of Subsection (c)(4) of that section on that date, the organization is eligible for the exemption for the tax year if the organization:

(1) satisfies the requirements of Section 11.20(c)(4) before the later of:

(A) June 1 of the year to which the exemption applies; or

(B) the 60th day after the date the chief appraiser notifies the organization of its failure to comply with those requirements; and

(2) within the time provided by Subdivision (1) files with the chief appraiser a new completed application for the exemption together with an affidavit stating that the organization has complied with the requirements of Section 11.20(c)(4).

(b) If the chief appraiser cancels an exemption for a religious organization under Section 11.20 that was erroneously allowed in a tax year because he determines that the organization did not satisfy the requirements of Section 11.20(c)(4) on January 1 of that year, the organization is eligible for the exemption for that tax year if the organization:

(1) was otherwise qualified for the exemption;

(2) satisfies the requirements of Section 11.20(c)(4) on or before the 60th day after the date the chief appraiser notifies the organization of the cancellation; and

(3) within the time provided by Subdivision (2) files

with the chief appraiser a new completed application for the exemption together with an affidavit stating that the organization has complied with the requirements of Section 11.20(c)(4).

Added by Acts 1987, 70th Leg., ch. 640, Sec. 3, eff. Aug. 31, 1987. Amended by Acts 1997, 75th Leg., ch. 1039, Sec. 17, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 5, eff. June 20, 1997.

Sec. 11.422. QUALIFICATIONS OF A SCHOOL. (a) If the chief appraiser denies a timely filed application for an exemption under Section 11.21 for a school that otherwise qualified for the exemption on January 1 of the year but that did not satisfy the requirements of Subsection (d)(5) of that section on that date, the school is eligible for the exemption for the tax year if the school:

(1) satisfies the requirements of Section 11.21(d)(5) before the later of:

(A) July 1 of the year for which the exemption applies; or

(B) the 60th day after the date the chief appraiser notifies the school of its failure to comply with those requirements; and

(2) within the time provided by Subdivision (1), files with the chief appraiser a new completed application for the exemption together with an affidavit stating that the school has complied with the requirements of Section 11.21(d)(5).

(b) If the chief appraiser cancels an exemption for a school under Section 11.21 that was erroneously allowed in a tax year because the appraiser determines that the school did not satisfy the requirements of Section 11.21(d)(5) on January 1 of that year, the school is eligible for the exemption for that tax year if the school:

(1) was otherwise qualified for the exemption;

(2) satisfies the requirements of Section 11.21(d)(5) on or before the 30th day after the date the chief appraiser notifies the school of the cancellation; and

(3) in the time provided in Subdivision (2) files with the chief appraiser a new completed application stating that the school has complied with the requirements of Section 11.21(d)(5).

Added by Acts 1991, 72nd Leg., ch. 836, Sec. 6.2, eff. Sept. 1, 1991. Amended by Acts 1997, 75th Leg., ch. 1039, Sec. 17, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 5, eff. June 20, 1997.

Sec. 11.423. QUALIFICATION OF CHARITABLE ORGANIZATION OR YOUTH ASSOCIATION. (a) If the chief appraiser denies a timely filed application for an exemption under Section 11.18 or 11.19 for an organization or association that otherwise qualified for the exemption on January 1 of the year but that did not satisfy the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate, on that date, the organization or association is eligible for the exemption for the tax year if the organization or association:

(1) satisfies the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate, before the later of:

(A) June 1 of the year to which the exemption applies; or

(B) the 60th day after the date the chief appraiser notifies the organization or association of its failure to comply with those requirements; and

(2) within the time provided by Subdivision (1) files with the chief appraiser a new completed application for the exemption together with an affidavit stating that the organization or association has complied with the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate.

(b) If the chief appraiser cancels an exemption for an organization or association under Section 11.18 or 11.19 that was erroneously allowed in a tax year because the chief appraiser determines that the organization or association did not satisfy the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate, on January 1 of that year, the organization or association is eligible for the exemption for that tax year if the organization or association:

(1) was otherwise qualified for the exemption;

(2) satisfies the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate, on or before the 60th day after the date the chief appraiser notifies the organization or association

of the cancellation; and

(3) within the time provided by Subdivision (2) files with the chief appraiser a new completed application for the exemption together with an affidavit stating that the organization or association has complied with the requirements of Section 11.18(f)(2) or 11.19(d)(5), as appropriate.

Added by Acts 1997, 75th Leg., ch. 1039, Sec. 18, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 6, eff. June 20, 1997.

Sec. 11.424. CONFLICT BETWEEN GOVERNING REGULATION OF NONPROFIT ORGANIZATION, ASSOCIATION, OR ENTITY AND CONTRACT WITH UNITED STATES. To the extent of a conflict between a provision in a contract entered into by an organization, association, or entity with the United States and a provision in the charter, a bylaw, or other regulation adopted by the organization or entity to govern its affairs in compliance with Section 11.18(f)(2), 11.19(d)(5), 11.20(c)(4), or 11.21(d)(5), the existence of the contract or the organization's compliance with the contract does not affect the eligibility of the organization, association, or entity to receive an exemption under the applicable section of this code, and the organization, association, or entity may comply with the provision in the contract instead of the conflicting provision in the charter, bylaw, or other regulation.

Added by Acts 1997, 75th Leg., ch. 1039, Sec. 18, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1411, Sec. 6, eff. June 20, 1997.

Sec. 11.43. APPLICATION FOR EXEMPTION. (a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.141, 11.145, 11.146, 11.15, 11.16, 11.161, or 11.25, must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

(b) Except as provided by Subsection (c) and by Sections 11.184 and 11.437, a person required to apply for an exemption must apply each year the person claims entitlement to the exemption.

(c) An exemption provided by Section 11.13, 11.131, 11.132,

11.133, 11.134, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35, 11.36, 11.37, or 11.38, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), and subject to Subsection (c-1), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

(c-1) A chief appraiser may not require a person allowed a residence homestead exemption under Section 11.13 to file a new application or confirm the person's current qualification for the exemption unless the chief appraiser:

(1) has reason to believe the person no longer qualifies for the exemption;

(2) has attempted to determine whether the person still qualifies for the exemption, which may include searching the driver's license database maintained by the Department of Public Safety; and

(3) delivers written notice, accompanied by an appropriate application form, to the person stating:

(A) the chief appraiser believes the person may no longer qualify for the exemption; and

(B) the specific reason for the chief appraiser's belief.

(d) To receive an exemption the eligibility for which is determined by the claimant's qualifications on January 1 of the tax year, a person required to claim an exemption must file a completed

exemption application form before May 1 and must furnish the information required by the form. A person who after January 1 of a tax year acquires property that qualifies for an exemption covered by Section 11.42(d) or (f) must apply for the exemption for the applicable portion of that tax year before the first anniversary of the date the person acquires the property. For good cause shown the chief appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days.

(d-1) If the chief appraiser extends the deadline for a property owner to file a rendition statement or property report to May 15 under Section 22.23(b), the chief appraiser shall also extend the deadline for the property owner to file an application for an exemption under Section 11.251 to May 15. For good cause shown, the chief appraiser may further extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days from the deadline prescribed by Subsection (d).

(e) Except as provided by Section 11.422, 11.431, 11.433, 11.434, 11.435, or 11.439, or 11.4391, if a person required to apply for an exemption in a given year fails to file timely a completed application form, the person may not receive the exemption for that year.

(f) The comptroller, in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The form must require an applicant to provide the applicant's name and driver's license number, personal identification certificate number, or social security account number. If the applicant is a charitable organization with a federal tax identification number, the form must allow the applicant to provide the organization's federal tax identification number in lieu of a driver's license number, personal identification certificate number, or social security account number. The comptroller shall include on the forms a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The

comptroller shall include, on application forms for exemptions that do not have to be claimed annually, a statement explaining that the application need not be made annually and that if the exemption is allowed, the applicant has a duty to notify the chief appraiser when the applicant's entitlement to the exemption ends. In this subsection:

(1) "Driver's license" has the meaning assigned that term by Section 521.001, Transportation Code.

(2) "Personal identification certificate" means a certificate issued by the Department of Public Safety under Subchapter E, Chapter 521, Transportation Code.

(g) A person who receives an exemption that is not required to be claimed annually shall notify the appraisal office in writing before May 1 after his entitlement to the exemption ends.

(h) If the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, the chief appraiser shall investigate. Subject to Subsection (q), if the chief appraiser determines that the property should not be exempt, the chief appraiser shall cancel the exemption and deliver written notice of the cancellation within five days after the date the exemption is canceled.

(h-1) The chief appraiser of an appraisal district shall develop a program for the periodic review of each residence homestead exemption granted by the district under Section 11.13 to confirm that the recipient of the exemption still qualifies for the exemption. The program must require the chief appraiser to review each residence homestead exemption at least once every five tax years. The program may provide for the review to take place in phases, with a portion of the exemptions reviewed in each tax year.

(i) If the chief appraiser discovers that an exemption that is not required to be claimed annually has been erroneously allowed in any one of the five preceding years, the chief appraiser shall add the property or appraised value that was erroneously exempted for each year to the appraisal roll as provided by Section 25.21 of this code for other property that escapes taxation. If an exemption that was erroneously allowed did not apply to all taxing units in which the property was located, the chief appraiser shall note on

the appraisal records, for each prior year, the taxing units that gave the exemption and are entitled to impose taxes on the property or value that escaped taxation.

(j) In addition to the items required by Subsection (f), an application for a residence homestead exemption prescribed by the comptroller and authorized by Section 11.13 must:

(1) list each owner of the residence homestead and the interest of each owner;

(2) state that the applicant does not claim an exemption under that section on another residence homestead in this state or claim a residence homestead exemption on a residence homestead outside this state;

(3) state that each fact contained in the application is true;

(4) include a copy of the applicant's driver's license or state-issued personal identification certificate unless the applicant:

(A) is a resident of a facility that provides services related to health, infirmity, or aging; or

(B) is certified for participation in the address confidentiality program administered by the attorney general under Subchapter B, Chapter 58, Code of Criminal Procedure;

(5) state that the applicant has read and understands the notice of the penalties required by Subsection (f); and

(6) be signed by the applicant.

(k) A person who qualifies for an exemption authorized by Section 11.13(c) or (d) or 11.132 must apply for the exemption no later than the first anniversary of the date the person qualified for the exemption.

(l) The form for an application under Section 11.13 must include a space for the applicant to state the applicant's date of birth and, if applicable, the date of birth of the applicant's spouse. Failure to provide the applicant's date of birth does not affect the applicant's eligibility for an exemption under that section, other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older. Failure to provide the date of birth of the applicant's spouse does not affect the

applicant's eligibility for an exemption under Section 11.13 or the applicant's spouse's eligibility for an exemption under that section, other than an exemption under Section 11.13(q) for the surviving spouse of an individual 65 years of age or older.

(m) Notwithstanding Subsections (a) and (k), if a person who receives an exemption under Section 11.13, other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, in a tax year becomes 65 years of age in the next tax year, the person is entitled to receive and the chief appraiser shall allow an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older in that next tax year on the same property without requiring the person to apply for or otherwise request the exemption if the person's age is shown by:

(1) information in the records of the appraisal district that was provided to the appraisal district by the individual in an application for an exemption under Section 11.13 on the property or in correspondence relating to the property; or

(2) the information provided by the Texas Department of Public Safety to the appraisal district under Section 521.049, Transportation Code.

(m-1) Subsection (m) does not apply if the chief appraiser determines that the individual is no longer entitled to any exemption under Section 11.13 on the property.

(m-2) Notwithstanding Subsection (a), if a person who receives an exemption under Section 11.13(d) for an individual 65 years of age or older dies in a tax year, that person's surviving spouse is entitled to receive an exemption under Section 11.13(q) in the next tax year on the same property without applying for the exemption if:

(1) the appraisal district learns of the person's death from any source, including the death records maintained by the vital statistics unit of the Department of State Health Services or a local registration official; and

(2) the surviving spouse is otherwise eligible to receive the exemption as shown by:

(A) information in the records of the appraisal district that was provided to the appraisal district in an

application for an exemption under Section 11.13 on the property or in correspondence relating to the property; or

(B) information provided by the Texas Department of Public Safety to the appraisal district under Section 521.049, Transportation Code.

(m-3) Subsection (m-2) does not apply if the chief appraiser determines that the surviving spouse is no longer entitled to any exemption under Section 11.13 on the property.

(n) Except as provided by Subsection (p), a chief appraiser may not allow an applicant an exemption provided by Section 11.13 if the applicant is required under Subsection (j) to provide a copy of the applicant's driver's license or state-issued personal identification certificate unless the address listed on the driver's license or state-issued personal identification certificate provided by the applicant corresponds to the address of the property for which the exemption is claimed.

(o) The application form for a residence homestead exemption must require an applicant who is not specifically identified on a deed or other appropriate instrument recorded in the real property records of the county in which the property is located as an owner of the residence homestead, including an heir property owner, to provide:

(1) an affidavit establishing the applicant's ownership of an interest in the property;

(2) a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;

(3) a copy of the most recent utility bill for the property, if the applicant is an heir property owner; and

(4) a citation of any court record relating to the applicant's ownership of the property if available.

(o-1) The application form for a residence homestead exemption may not require an heir property owner to provide a copy of an instrument recorded in the real property records of the county in which the property is located.

(o-2) The application form for a residence homestead exemption must require:

(1) an applicant who is an heir property owner to state

that the property for which the application is submitted is heir property; and

(2) each owner of an interest in heir property who occupies the property as the owner's principal residence, other than the applicant, to provide an affidavit that authorizes the submission of the application.

(p) A chief appraiser may waive the requirement provided by Subsection (n) that the address of the property for which the exemption is claimed correspond to the address listed on the driver's license or state-issued personal identification certificate provided by the applicant under Subsection (j) if the applicant:

(1) is an active duty member of the armed services of the United States or the spouse of an active duty member and the applicant includes with the application a copy of the applicant's or spouse's military identification card and a copy of a utility bill for the property subject to the claimed exemption in the applicant's or spouse's name; or

(2) holds a driver's license issued under Section 521.121(c) or 521.1211, Transportation Code, and includes with the application a copy of the application for that license provided to the Texas Department of Transportation.

(q) A chief appraiser may not cancel an exemption under Section 11.13 that is received by an individual who is 65 years of age or older without first providing written notice of the cancellation to the individual receiving the exemption. The notice must include a form on which the individual may indicate whether the individual is qualified to receive the exemption and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. The chief appraiser shall consider the individual's response on the form in determining whether to continue to allow the exemption. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the

exemption. For purposes of this subsection, sending an additional notice of cancellation that includes, in bold font equal to or greater in size than the surrounding text, the date on which the chief appraiser is authorized to cancel the exemption to the individual receiving the exemption immediately after the expiration of the 60-day period by first class mail in an envelope on which is written, in all capital letters, "RETURN SERVICE REQUESTED," or another appropriate statement directing the United States Postal Service to return the notice if it is not deliverable as addressed, or providing the additional notice in another manner that the chief appraiser determines is appropriate, constitutes a reasonable effort on the part of the chief appraiser. This subsection does not apply to an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older that is canceled because the chief appraiser determines that the individual receiving the exemption no longer owns the property subject to the exemption.

(r) The chief appraiser may not require a person allowed an exemption under Section 11.131 to file a new application to determine the person's current qualification for the exemption if the person has a permanent total disability determined by the United States Department of Veterans Affairs under 38 C.F.R. Section 4.15.

(s) A person who qualifies for an exemption under Section 11.35(b) must apply for the exemption not later than the 105th day after the date the governor declares the area in which the person's qualified property is located to be a disaster area. The chief appraiser may extend the deadline prescribed by this subsection for good cause shown.

(t) Notwithstanding Subsections (a) and (c), the chief appraiser of an appraisal district in which property described by Section 11.17 is located shall grant the exemption authorized by that section for the property if:

(1) a person does not apply for the exemption;

(2) the chief appraiser knows or should know based on a reasonable inspection of the property that the property is a property described by that section; and

(3) the owner of the property is not identifiable.

(u) A chief appraiser may request the assistance of a state agency, municipality, county, county historical commission, or other governmental or nonprofit entity to help determine whether a property is a property described by Section 11.17 for the purpose of Subsection (t)(2).

Acts 1979, 66th Leg., p. 2245, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 131, ch. 13, Sec. 40, 41, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 3442, ch. 574, Sec. 1, eff. Jan. 1, 1984; Acts 1983, 68th Leg., p. 4823, ch. 851, Sec. 8, eff. Aug. 29, 1983; Acts 1987, 70th Leg., ch. 428, Sec. 2, eff. Jan. 1, 1988; Acts 1987, 70th Leg., ch. 791, Sec. 1, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 76, Sec. 2, eff. Jan. 1, 1990; Acts 1990, 71st Leg., 6th C.S., ch. 8, Sec. 2, eff. Sept. 6, 1990; Acts 1991, 72nd Leg., ch. 306, Sec. 2, eff. Jan. 1, 1992; Acts 1991, 72nd Leg., ch. 836, Sec. 6.5, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 12, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 198, Sec. 3, eff. Sept. 1, 1993; Acts 1993, 73rd Leg., ch. 285, Sec. 2, eff. Jan. 1, 1994; Acts 1993, 73rd Leg., ch. 779, Sec. 2, eff. Jan. 1, 1994; Acts 1995, 74th Leg., ch. 296, Sec. 2, eff. Jan. 1, 1996; Acts 1995, 74th Leg., ch. 381, Sec. 1, eff. Jan. 1, 1996; Acts 1997, 75th Leg., ch. 194, Sec. 3, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 726, Sec. 2, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1039, Sec. 19, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1059, Sec. 4, eff. June 19, 1997; Acts 1997, 75th Leg., ch. 1155, Sec. 2, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 62, Sec. 16.02, 16.03, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 675, Sec. 2, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1481, Sec. 4, 5, eff. Jan. 1, 2000; Acts 2001, 77th Leg., ch. 125, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 213, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 842, Sec. 1, eff. June 14, 2001; Acts 2001, 77th Leg., ch. 1040, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1420, Sec. 18.004, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 407, Sec. 1, eff. Jan. 1, 2004; Acts 2003, 78th Leg., ch. 411, Sec. 4, eff. Jan. 1, 2004; Acts 2003, 78th Leg., ch. 1275, Sec. 3(39), eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 15.001(a), eff. Sept. 1, 2003; Acts 2003, 78th Leg., 3rd

C.S., ch. 3, Sec. 20.02, eff. Jan. 11, 2004.

Amended by:

Acts 2005, 79th Leg., Ch. 1126 (H.B. 2491), Sec. 3, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 766 (H.B. 3514), Sec. 2, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 706 (H.B. 2814), Sec. 1, eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. 1405 (H.B. 3613), Sec. 1(c), eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1417 (H.B. 770), Sec. 7, eff. January 1, 2010.

Acts 2011, 82nd Leg., R.S., Ch. 221 (H.B. 252), Sec. 1, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 383 (S.B. 402), Sec. 3, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 712 (H.B. 645), Sec. 1, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. 97), Sec. 3, eff. January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 138 (S.B. 163), Sec. 3, eff. January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 298 (H.B. 1287), Sec. 1, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 942 (H.B. 1712), Sec. 2, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1030 (H.B. 2712), Sec. 2, eff. January 1, 2014.

Acts 2015, 84th Leg., R.S., Ch. 373 (S.B. 918), Sec. 1, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 390 (H.B. 706), Sec. 1, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 531 (H.B. 1463), Sec. 2, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 1119 (H.B. 3623), Sec. 2, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec.

21.002(26), eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 130 (H.B. 1101), Sec. 1, eff. January 1, 2018.

Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. 15), Sec. 3, eff. January 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 459 (H.B. 2859), Sec. 3, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 469 (H.B. 4173), Sec. 2.64, eff. January 1, 2021.

Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 7, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1034 (H.B. 492), Sec. 3, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 5, eff. June 16, 2021.

Acts 2021, 87th Leg., 2nd C.S., Ch. 12 (S.B. 8), Sec. 2, eff. January 1, 2022.

Acts 2023, 88th Leg., R.S., Ch. 214 (S.B. 1801), Sec. 1, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 252 (S.B. 1381), Sec. 1, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 281 (S.B. 1145), Sec. 2, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 364 (S.B. 2289), Sec. 3, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 546 (H.B. 4077), Sec. 1, eff. January 1, 2024.

Acts 2025, 89th Leg., R.S., Ch. 130 (H.B. 2723), Sec. 1, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 131 (H.B. 2730), Sec. 1, eff. May 24, 2025.

Acts 2025, 89th Leg., R.S., Ch. 204 (H.B. 1620), Sec. 22.002(13), eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 371 (H.B. 247), Sec. 2, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 592 (H.B. 2508), Sec. 3, eff. January 1, 2026.

Acts 2025, 89th Leg., R.S., Ch. 1004 (S.B. 1352), Sec. 1, eff. September 1, 2025.

Sec. 11.431. LATE APPLICATION FOR HOMESTEAD EXEMPTION. (a) Except as provided by Section 11.439, the chief appraiser shall accept and approve or deny an application for a residence homestead exemption after the deadline for filing it has passed if it is filed not later than two years after the delinquency date for the taxes on the homestead.

(b) If a late application is approved after approval of the appraisal records by the appraisal review board, the chief appraiser shall notify the collector for each taxing unit in which the residence is located not later than the 30th day after the date the late application is approved. The collector shall deduct from the person's tax bill the amount of tax imposed on the exempted amount if the tax has not been paid. If the tax has been paid, the collector shall refund to the person who was the owner of the property on the date the tax was paid the amount of tax imposed on the exempted amount. A person is not required to apply for a refund under this subsection to receive the refund.

Added by Acts 1981, 67th Leg., 1st C.S., p. 132, ch. 13, Sec. 42, eff. Jan. 1, 1982. Amended by Acts 2003, 78th Leg., ch. 650, Sec. 1, eff. June 20, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1405 (H.B. 3613), Sec. 1(d), eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1222 (S.B. 516), Sec. 3, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. 97), Sec. 4, eff. January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 138 (S.B. 163), Sec. 4, eff. January 1, 2014.

Acts 2015, 84th Leg., R.S., Ch. 481 (S.B. 1760), Sec. 4, eff. January 1, 2016.

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(27), eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 239 (H.B. 626), Sec. 1, eff.

September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. 15), Sec. 4, eff. January 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 448 (S.B. 1856), Sec. 2, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 575 (S.B. 611), Sec. 3, eff. January 1, 2022.

Acts 2025, 89th Leg., R.S., Ch. 993 (S.B. 850), Sec. 3, eff. September 1, 2025.

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME. (a) Except as provided by Subsection (a-1), for a manufactured home to qualify as a residence homestead under Section 11.13, the application for exemption required by Section 11.43 must be accompanied by:

(1) a copy of the statement of ownership for the manufactured home issued by the manufactured housing division of the Texas Department of Housing and Community Affairs under Section 1201.207, Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home;

(2) a copy of the sales purchase agreement or other applicable contract or agreement or the payment receipt showing that the applicant is the purchaser of the manufactured home; or

(3) a sworn affidavit by the applicant stating that:

(A) the applicant is the owner of the manufactured home;

(B) the seller of the manufactured home did not provide the applicant with the applicable contract or agreement; and

(C) the applicant could not locate the seller after making a good faith effort.

(a-1) An appraisal district may rely upon the computer records of the Texas Department of Housing and Community Affairs to verify an applicant's ownership of a manufactured home. An applicant is not required to submit an accompanying document described by Subsection (a) if the appraisal district verifies the applicant's ownership under this subsection.

(b) The land on which a manufactured home is located qualifies as a residence homestead under Section 11.13 only if:

(1) the land is owned by one or more individuals, including the applicant;

(2) the applicant occupies the manufactured home as the applicant's principal residence; and

(3) the applicant demonstrates ownership of the manufactured home under Subsection (a) or the appraisal district determines the applicant's ownership under Subsection (a-1).

(c) The owner of land that qualifies as a residence homestead under this section is entitled to obtain the homestead exemptions provided by Section 11.13 and any other benefit granted under this title to the owner of a residence homestead regardless of whether the applicant has elected to treat the manufactured home as real property or personal property and regardless of whether the manufactured home is listed on the tax rolls with the real property to which it is attached or listed on the tax rolls separately.

(d) In this section, "manufactured home" has the meaning assigned by Section 1201.003, Occupations Code.

Added by Acts 1985, 69th Leg., ch. 846, Sec. 14, eff. Sept. 1, 1985. Amended by Acts 1989, 71st Leg., ch. 1039, Sec. 4.02, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 274, Sec. 12, eff. Aug. 30, 1993; Acts 2003, 78th Leg., ch. 338, Sec. 44, eff. Jan. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 863 (H.B. 1460), Sec. 70, eff. January 1, 2008.

Acts 2011, 82nd Leg., R.S., Ch. 221 (H.B. 252), Sec. 2(a), eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 408 (H.B. 2019), Sec. 80, eff. September 1, 2017.

Sec. 11.433. LATE APPLICATION FOR RELIGIOUS ORGANIZATION EXEMPTION. (a) The chief appraiser shall accept and approve or deny an application for a religious organization exemption under Section 11.20 after the filing deadline provided by Section 11.43 if the application is filed not later than December 31 of the fifth year after the year in which the taxes for which the exemption is

claimed were imposed.

(b) The chief appraiser may not approve a late application for an exemption filed under this section if the taxes imposed on the property for the year for which the exemption is claimed are paid before the application is filed.

(c) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in the year for which the exemption is granted. The collector shall deduct from the organization's tax bill the amount of tax imposed on the property for that year if the tax has not been paid and any unpaid penalties and accrued interest relating to that tax. The collector may not refund taxes, penalties, or interest paid on the property for which an exemption is granted under this section.

(d) The chief appraiser may grant an exemption for property pursuant to an application filed under this section only if the property otherwise qualified for the exemption under the law in effect on January 1 of the tax year for which the exemption is claimed.

(e) Repealed by Acts 1999, 76th Leg., ch. 449, Sec. 5, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 817, Sec. 4, eff. September 1, 1999.

Added by Acts 1990, 71st Leg., 6th C.S., ch. 8, Sec. 1, eff. Sept. 6, 1990. Amended by Acts 1993, 73rd Leg., ch. 971, Sec. 1, eff. June 19, 1993; Acts 1997, 75th Leg., ch. 170, Sec. 1, eff. May 21, 1997; Acts 1999, 76th Leg., ch. 449, Sec. 1, 5, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 817, Sec. 4, eff. Sept. 1, 1999.

Sec. 11.434. LATE APPLICATION FOR A SCHOOL EXEMPTION. (a) The chief appraiser shall accept or deny an application for a school exemption under Section 11.21 after the filing deadline provided by Section 11.43 if the application is filed not later than December 31 of the fifth year after the year in which the taxes for which the exemption is claimed were imposed.

(b) The chief appraiser may not approve a late application for an exemption filed under this section if the taxes imposed on

the property for the year for which the exemption is claimed are paid before the application is filed.

(c) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in the year for which the exemption is granted. The collector shall deduct from the school's tax bill the amount of tax imposed on the property for that year if the tax has not been paid and any unpaid penalties and accrued interest relating to that tax. The collector may not refund taxes, penalties, or interest paid on the property for which an exemption is granted under this section.

(d) Repealed by Acts 1999, 76th Leg., ch. 449, Sec. 5, eff. June 18, 1999.

Added by Acts 1991, 72nd Leg., ch. 836, Sec. 6.3, eff. Sept. 1, 1991. Amended by Acts 1997, 75th Leg., ch. 1411, Sec. 7, eff. June 20, 1997; Acts 1999, 76th Leg., ch. 449, Sec. 2, 5, eff. June 18, 1999.

Sec. 11.435. LATE APPLICATION FOR CHARITABLE ORGANIZATION EXEMPTION. (a) The chief appraiser shall accept and approve or deny an application for a charitable organization exemption under Section 11.18 after the filing deadline provided by Section 11.43 if the application is filed not later than December 31 of the fifth year after the year in which the taxes for which the exemption is claimed were imposed.

(b) The chief appraiser may not approve a late application for an exemption filed under this section if the taxes imposed on the property for the year for which the exemption is claimed are paid before the application is filed.

(c) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in the year for which the exemption is granted. The collector shall deduct from the organization's tax bill the amount of tax imposed on the property for that year if the tax has not been paid and any unpaid penalties

and accrued interest relating to that tax. The collector may not refund taxes, penalties, or interest paid on the property for which an exemption is granted under this section.

(d) The chief appraiser may grant an exemption for property pursuant to an application filed under this section only if the property otherwise qualified for the exemption under the law in effect on January 1 of the tax year for which the exemption is claimed.

(e) Repealed by Acts 1999, 76th Leg., ch. 449, Sec. 5, eff. June 18, 1999.

Added by Acts 1991, 72nd Leg., ch. 836, Sec. 6.4, eff. Sept. 1, 1991. Amended by Acts 1997, 75th Leg., ch. 170, Sec. 2, eff. May 21, 1997; Acts 1999, 76th Leg., ch. 449, Sec. 3, 5, eff. June 18, 1999.

Sec. 11.436. APPLICATION FOR EXEMPTION OF CERTAIN PROPERTY USED FOR LOW-INCOME HOUSING. (a) An organization that acquires property that qualifies for an exemption under Section 11.181(a) or 11.1825 may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property, and the deadline provided by Section 11.43(d) does not apply to the application for that year.

(b) If the application is granted, the exemption for that year applies only to the portion of the year in which the property qualifies for the exemption, as provided by Section 26.111. If the application is granted after approval of the appraisal records by the appraisal review board, the chief appraiser shall notify the collector for each taxing unit in which the property is located. The collector shall calculate the amount of tax due on the property in that year as provided by Section 26.111 and shall refund any amount paid in excess of that amount.

(c) To facilitate the financing associated with the acquisition of a property, an organization, before acquiring the property, may request from the chief appraiser of the appraisal district established for the county in which the property is located a preliminary determination of whether the property would qualify for an exemption under Section 11.1825 if acquired by the organization. The request must include the information that would

be included in an application for an exemption for the property under Section 11.1825. Not later than the 45th day after the date a request is submitted under this subsection, the chief appraiser shall issue a written preliminary determination for the property included in the request. A preliminary determination does not affect the granting of an exemption under Section 11.1825.

Added by Acts 1993, 73rd Leg., ch. 345, Sec. 3, eff. Jan. 1, 1994. Amended by Acts 1997, 75th Leg., ch. 715, Sec. 3, eff. Jan. 1, 1998; Acts 2001, 77th Leg., ch. 842, Sec. 3, eff. June 14, 2001; Acts 2003, 78th Leg., ch. 1156, Sec. 4, eff. Jan. 1, 2004.

Sec. 11.437. EXEMPTION FOR COTTON STORED IN WAREHOUSE. (a) A person who operates a warehouse used primarily for the storage of cotton for transportation outside of this state may apply for an exemption under Section 11.251 for cotton stored in the warehouse on behalf of all the owners of the cotton. An exemption granted under this section applies to all cotton stored in the warehouse that is eligible to be exempt under Section 11.251. Cotton that is stored in a warehouse covered by an exemption granted under this section and that is transported outside of this state is presumed to have been transported outside of this state within the time permitted by Article VIII, Section 1-j, of the Texas Constitution for cotton to qualify for an exemption under that section.

(b) An exemption granted under this section, once allowed, need not be claimed in subsequent years, and except as provided by Section 11.43(e), the exemption applies to cotton stored in the warehouse until the warehouse changes ownership or the cotton's qualification for the exemption changes. The chief appraiser may, however, require a person who operates a warehouse for which an exemption for cotton has been granted in a prior year to file a new application to confirm the cotton's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person.

Added by Acts 1993, 73rd Leg., ch. 779, Sec. 3, eff. Jan. 1, 1994. Renumbered from Tax Code Sec. 11.436 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(45), eff. Sept. 1, 1995.

Sec. 11.438. LATE APPLICATION FOR VETERAN'S ORGANIZATION EXEMPTION. (a) The chief appraiser shall accept and approve or deny an application for a veteran's organization exemption under Section 11.23(a) after the filing deadline provided by Section 11.43 if the application is filed not later than December 31 of the fifth year after the year in which the taxes for which the exemption is claimed were imposed.

(b) If the taxes and related penalties and interest imposed on the property for the year for which the exemption is claimed are paid before an application is filed under this section, the chief appraiser may approve the late application for an exemption only on a showing that the taxes, penalties, and interest were paid under protest.

(c) If a late application is approved after approval of the appraisal records for a year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in that year. The collector shall deduct from the organization's tax bill the amount of tax imposed on the property for that year and any penalties and interest relating to that tax if the tax and related penalties and interest have not been paid. If the tax and related penalties and interest on the property for a tax year for which an exemption is granted under this section were paid under protest, the collector shall refund to the organization the tax, penalties, and interest paid.

(d) Repealed by Acts 1999, 76th Leg., ch. 449, Sec. 5, eff. June 18, 1999.

Added by Acts 1997, 75th Leg., ch. 1328, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 1999, 76th Leg., ch. 449, Sec. 4, 5, eff. June 18, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 494 (S.B. 798), Sec. 2, eff. January 1, 2010.

Acts 2025, 89th Leg., R.S., Ch. 993 (S.B. 850), Sec. 4, eff. September 1, 2025.

Sec. 11.439. LATE APPLICATIONS FOR DISABLED VETERANS

EXEMPTIONS. (a) The chief appraiser shall accept and approve or deny an application for an exemption under Section 11.131 or 11.132 for the residence homestead of a disabled veteran but not the surviving spouse of the disabled veteran or Section 11.22 after the filing deadline provided by Section 11.43 if the application is filed not later than five years after the delinquency date for the taxes on the property.

(b) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in that year not later than the 30th day after the date the late application is approved. The collector shall correct the taxing unit's tax roll to reflect the amount of tax imposed on the property after applying the exemption and shall deduct from the person's tax bill the amount of tax imposed on the exempted portion of the property for that year. If the tax and any related penalties and interest have been paid, the collector shall pay to the person who was the owner of the property on the date the tax was paid a refund of the tax imposed on the exempted portion of the property and the corresponding portion of any related penalties and interest paid.

Added by Acts 2001, 77th Leg., ch. 213, Sec. 2, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 412 (S.B. 1652), Sec. 7, eff. September 1, 2005.

Acts 2017, 85th Leg., R.S., Ch. 239 (H.B. 626), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 448 (S.B. 1856), Sec. 3, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 575 (S.B. 611), Sec. 4, eff. January 1, 2022.

Acts 2021, 87th Leg., R.S., Ch. 575 (S.B. 611), Sec. 5, eff. January 1, 2022.

Acts 2025, 89th Leg., R.S., Ch. 993 (S.B. 850), Sec. 5, eff. September 1, 2025.

Sec. 11.4391. LATE APPLICATION FOR FREEPORT EXEMPTION.

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed on or before the later of:

(1) June 15; or

(2) if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Section 22.22.

(b) If the application is approved, the property owner is liable to each taxing unit allowing the exemption for a penalty in an amount equal to the lesser of:

(1) 10 percent of the difference between the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods, and the amount that would otherwise have been imposed; or

(2) 10 percent of the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods.

(c) The chief appraiser shall make an entry on the appraisal records for the inventory or property indicating the property owner's liability for the penalty and shall deliver a written notice of imposition of the penalty, explaining the reason for its imposition, to the property owner.

(d) The tax assessor for a taxing unit that taxes the inventory or property shall add the amount of the penalty to the property owner's tax bill, and the tax collector for the unit shall collect the penalty at the time and in the manner the collector collects the tax. The amount of the penalty constitutes a lien against the inventory or property against which the penalty is imposed, as if it were a tax, and accrues penalty and interest in the same manner as a delinquent tax.

Added by Acts 2001, 77th Leg., ch. 125, Sec. 3, eff. Sept. 1, 2002. Renumbered from Tax Code Sec. 11.439 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(122), eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 357 (H.B. 2228), Sec. 1, eff. January 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 26, eff. January 1, 2020.

Acts 2025, 89th Leg., R.S., Ch. 1004 (S.B. 1352), Sec. 2, eff. September 1, 2025.

Sec. 11.44. NOTICE OF APPLICATION REQUIREMENTS. (a) Before February 1 of each year, the chief appraiser shall deliver an appropriate exemption application form to each person who in the preceding year was allowed an exemption that must be applied for annually. He shall include a brief explanation of the requirements of Section 11.43 of this code.

(b) Each year the chief appraiser for each appraisal district shall publicize, in a manner reasonably designed to notify all residents of the district, the requirements of Section 11.43 of this code and the availability of application forms.

(c) The comptroller shall prescribe by rule the content of the explanation required by Subsection (a) of this section, and shall require that each exemption application form be printed and prepared:

(1) as a separate form from any other form; or

(2) on the front of the form if the form also provides for other information.

Acts 1979, 66th Leg., p. 2246, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 132, ch. 13, Sec. 43, eff. Jan. 1, 1982; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 13, eff. Sept. 1, 1991.

Sec. 11.45. ACTION ON EXEMPTION APPLICATIONS. (a) The chief appraiser shall determine separately each applicant's right to an exemption. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the applicant first qualifies for the exemption or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to the exemption, as the law and facts warrant:

(1) approve the application and allow the exemption;

(2) modify the exemption applied for and allow the exemption as modified;

(3) disapprove the application and request additional information from the applicant in support of the claim; or

(4) deny the application.

(b) If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information the applicant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to the exemption. The applicant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for exemption filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser modifies or denies an application, the chief appraiser shall deliver a written notice of the modification or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser modified or denied the application. The notice must include a brief explanation of the procedures for protesting the modification or denial.

(e) If the chief appraiser approves, modifies, or denies an application for an exemption under Section 11.35, the chief appraiser shall deliver a written notice of the approval, modification, or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must include the damage assessment rating assigned by the chief appraiser to each item of qualified property that is the subject of the application and a brief

explanation of the procedures for protesting the chief appraiser's determination. If the chief appraiser modifies or denies the application, the notice must state and fully explain each reason the chief appraiser modified or denied the application. The notice required under this subsection is in lieu of any notice that would otherwise be required under Subsection (d).

Acts 1979, 66th Leg., p. 2246, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 133, ch. 13, Sec. 44, eff. Jan. 1, 1982.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1034 (H.B. 492), Sec. 4, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 533 (S.B. 63), Sec. 7, eff. September 1, 2021.

Sec. 11.46. COMPILATION OF PARTIAL EXEMPTIONS. Each year the chief appraiser shall compile and make available to the public a list showing for each taxing unit in the district the number of each kind of partial exemption allowed in that tax year and the total assessed value of each taxing unit that is exempted by each kind of partial exemption.

Acts 1979, 66th Leg., p. 2246, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 133, ch. 13, Sec. 45, eff. Jan. 1, 1982.

Sec. 11.47. MAIL SURVEY OF RESIDENCE HOMESTEADS. (a) Between December 1 and December 31 of any year, the appraisal office may mail a card to each person who was allowed, in that year, one or more residence homestead exemptions that are not required to be claimed annually. The appraisal office shall include on the card the description of the property and the kind and amount of residence homestead exemptions allowed for the property according to the appraisal office records.

(b) The appraisal office shall include on each card mailed as authorized by this section a direction to the postal authorities not to forward it to any other address and to return it to the appraisal office if the addressee is no longer at the address to

which the card was mailed.

(c) The appraisal office shall investigate each residence homestead exemption allowed a person whose card is returned undelivered.

Added by Acts 1981, 67th Leg., 1st C.S., p. 133, ch. 13, Sec. 46, eff. Jan. 1, 1982.

Sec. 11.48. CONFIDENTIAL INFORMATION. (a) A driver's license number, personal identification certificate number, or social security account number, or the name, age, home address, or home telephone number of a child, provided in an application for an exemption filed with a chief appraiser is confidential and not open to public inspection. The information may not be disclosed to anyone other than an employee or agent of the appraisal district who appraises property or performs appraisal services for the appraisal district, except as authorized by Subsection (b).

(b) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who filed the application or to the person's representative authorized in writing to receive the information;

(3) to the comptroller and the comptroller's employees authorized by the comptroller in writing to receive the information or to an assessor or a chief appraiser if requested in writing;

(4) in a judicial or administrative proceeding relating to property taxation to which the person who filed the application is a party; or

(5) if and to the extent the information is required to be included in a public document or record that the appraisal district is required by law to prepare or maintain.

(c) A person who legally has access to an application for an exemption or who legally obtains the information from the application made confidential by this section commits an offense if the person knowingly:

(1) permits inspection of the confidential

information by a person not authorized by Subsection (b) to inspect the information; or

(2) discloses the confidential information to a person not authorized by Subsection (b) to receive the information.

(d) An offense under Subsection (c) is a Class B misdemeanor.

Added by Acts 2003, 78th Leg., ch. 436, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1118 (H.B. 3532), Sec. 1, eff. September 1, 2015.

Acts 2025, 89th Leg., R.S., Ch. 510 (S.B. 2068), Sec. 1, eff. September 1, 2025.

Sec. 11.49. LEGAL TITLE NOT AFFECTED. (a) The grant or denial of an application by an heir property owner for a residence homestead exemption under this chapter does not affect the legal title of the property subject to the application and does not operate to transfer title to that property.

(b) An appraisal district, chief appraiser, appraisal review board, or county assessor-collector may not be made a party to a proceeding to adjudicate ownership of property described by Subsection (a) except as prescribed by this title.

Added by Acts 2019, 86th Leg., R.S., Ch. 663 (S.B. 1943), Sec. 8, eff. September 1, 2019.

Sec. 11.50. PROVISION OF NAMES OF INDIVIDUALS RECEIVING RESIDENCE HOMESTEAD EXEMPTION TO ANOTHER CHIEF APPRAISER. (a) The chief appraiser of an appraisal district may request that the chief appraiser of another appraisal district provide to the requesting chief appraiser a list of the names of all individuals who currently receive an exemption for a residence homestead in the appraisal district for which the request is made.

(b) A chief appraiser who receives a request under Subsection (a) shall provide the list to the requesting chief appraiser as soon as practicable.

(c) A provision of law making information described by Subsection (a) confidential does not apply to the disclosure of

that information under this section to another chief appraiser. Added by Acts 2021, 87th Leg., R.S., Ch. 598 (S.B. 1088), Sec. 1, eff. September 1, 2021.