

By: Keough

H.B. No. 758

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a religious organization to obtain a refund of ad valorem taxes imposed on property leased to the organization for use as an actual place of religious worship.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.112 to read as follows:

Sec. 31.112. REFUNDS TO RELIGIOUS ORGANIZATIONS OF TAXES ON CERTAIN LEASED PROPERTY. (a) In this section:

(1) "Religious organization" means an organization that qualifies as a religious organization under Section 11.20.

(2) "Religious worship" has the meaning assigned by Section 11.20.

(b) A religious organization is entitled to receive from the collector for a taxing unit a refund of the taxes paid by the owner of the property on property that is leased to the organization and used primarily as a place of regular religious worship. The collector shall pay the refund from available current tax collections or from funds appropriated by the taxing unit for making refunds.

(c) To receive a refund under this section, a religious organization claiming the refund must apply for the refund. The organization must apply for the refund not later than the third anniversary of the date the taxes on the property were paid or the

organization waives the right to the refund.

(d) An application for a refund under this section must be made using a form prescribed by the comptroller by rule. The application form must include information sufficient to enable the collector for the taxing unit to determine:

(1) whether the religious organization is entitled to the refund; and

(2) the amount of the refund to which the organization is entitled, if any.

(e) If the collector for a taxing unit does not respond to an application for a refund under this section on or before the 90th day after the date the application is filed with the collector, the application is presumed to have been denied.

(f) Not later than the 60th day after the date the collector for a taxing unit denies an application for a refund under this section, the religious organization may file suit against the taxing unit in district court to compel the payment of the refund. If the collector collects taxes for more than one taxing unit, the organization shall join in the suit each taxing unit on behalf of which the collector denied the refund. If the organization prevails in the suit, the organization may be awarded:

(1) costs of court; and

(2) reasonable attorney's fees in an amount not to exceed the greater of:

(A) \$1,500; or

(B) 30 percent of the total amount of the refund determined by the court to be due.

SECTION 2. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.15(f), 31.11, ~~[or]~~ 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.07(g), on the date the results of the election to reduce the tax rate are certified;

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the

1 date the auditor for the taxing unit determines that the payment was
2 erroneous or excessive or, if the amount of the refund exceeds the
3 applicable amount specified by Section 31.11(a), on the date the
4 governing body of the unit approves the refund; ~~or~~]

5 (5) if the refund is required by Section 31.111, on the
6 date the collector for the taxing unit determines that the payment
7 was erroneous; or

8 (6) if the refund is required by Section 31.112, on the
9 date the collector for the taxing unit determines the religious
10 organization is entitled to the refund.

11 SECTION 3. This Act applies only to ad valorem taxes imposed
12 for a tax year that begins on or after the effective date of this
13 Act.

14 SECTION 4. This Act takes effect January 1, 2018, but only
15 if the constitutional amendment proposed by the 85th Legislature,
16 Regular Session, 2017, authorizing the legislature to provide for
17 the refund of ad valorem taxes imposed on property leased to a
18 religious organization for use as an actual place of religious
19 worship is approved by the voters. If that amendment is not
20 approved by the voters, this Act has no effect.