

- (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.

(Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1980; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), § 36, effective January 1, 1982; am. Acts 1997, 75th Leg., ch. 1039 (S.B. 841), § 10, effective January 1, 1998; am. Acts 1997, 75th Leg., ch. 1293 (S.B. 344), § 1, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1411 (H.B. 2383), § 4, effective June 20, 1997; am. Acts 1999, 76th Leg., ch. 138 (H.B. 873), § 4, effective May 18, 1999; am. Acts 2003, 78th Leg., ch. 288 (H.B. 2416), § 1.05, effective June 18, 2003; am. Acts 2003, 78th Leg., ch. 288 (H.B. 2416), § 2.05, effective January 1, 2006.)

**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 up to:	for a disability rating of 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.

(Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1980; am. Acts 2001, 77th Leg., ch. 1420 (H.B. 2812), § 18.002, effective September 1, 2001; am. Acts 2009, 81st Leg., ch. 1405 (H.B. 3613), § 1(b), effective 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;