

1-1 By: Huffman S.B. No. 2289
 1-2 (In the Senate - Filed March 10, 2023; March 22, 2023, read
 1-3 first time and referred to Committee on Finance; April 4, 2023,
 1-4 reported favorably by the following vote: Yeas 17, Nays 0;
 1-5 April 4, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the exemption from ad valorem taxation of certain
 1-28 tangible personal property held by a manufacturer of medical or
 1-29 biomedical products as a finished good or used in the manufacturing
 1-30 or processing of medical or biomedical products.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
 1-33 adding Section 11.36 to read as follows:

1-34 Sec. 11.36. MEDICAL OR BIOMEDICAL PROPERTY. (a) In this
 1-35 section:

1-36 (1) "Medical or biomedical property" means tangible
 1-37 personal property that is:

1-38 (A) stored, used, or consumed in the
 1-39 manufacturing or processing of medical or biomedical products by a
 1-40 medical or biomedical manufacturer; or

1-41 (B) intended for use in the diagnosis, cure,
 1-42 mitigation, treatment, or prevention of a condition or disease or
 1-43 in medical or biomedical research, including the invention,
 1-44 development, and dissemination of materials, tools, technologies,
 1-45 processes, and similar means for translating and applying medical
 1-46 and scientific research for practical applications to advance
 1-47 public health, including:

1-48 (i) devices;

1-49 (ii) therapeutics;

1-50 (iii) pharmaceuticals;

1-51 (iv) personal protective equipment;

1-52 (v) tools, apparatuses, instruments,
 1-53 implants, or other similar or related component parts or
 1-54 accessories;

1-55 (vi) property exempted under Section
 1-56 151.318 from the taxes imposed by Chapter 151; and

1-57 (vii) manufacturing inventories, including
 1-58 finished goods.

1-59 (2) "Medical or biomedical manufacturing facility"
 1-60 means a facility at which a person conducts manufacturing or
 1-61 processing of medical or biomedical products for the purpose of

2-1 development and commercialization of products to advance public
2-2 health.

2-3 (b) A person is entitled to an exemption from taxation of
2-4 medical or biomedical property the person owns or leases that is
2-5 located in a medical or biomedical manufacturing facility that the
2-6 person owns or leases.

2-7 (c) Notwithstanding Section 11.14(c), the governing body of
2-8 a taxing unit may not provide for taxation of medical or biomedical
2-9 property exempted under this section.

2-10 SECTION 2. Section 11.42(d), Tax Code, is amended to read as
2-11 follows:

2-12 (d) A person who acquires property after January 1 of a tax
2-13 year may receive an exemption authorized by Section 11.17, 11.18,
2-14 11.19, 11.20, 11.21, 11.23, 11.231, ~~or~~ 11.30, or 11.36 for the
2-15 applicable portion of that tax year immediately on qualification
2-16 for the exemption.

2-17 SECTION 3. Section 11.43(c), Tax Code, is amended to read as
2-18 follows:

2-19 (c) An exemption provided by Section 11.13, 11.131, 11.132,
2-20 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
2-21 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
2-22 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, ~~or~~ 11.35, or
2-23 11.36, once allowed, need not be claimed in subsequent years, and
2-24 except as otherwise provided by Subsection (e), the exemption
2-25 applies to the property until it changes ownership or the person's
2-26 qualification for the exemption changes. However, except as
2-27 provided by Subsection (r), the chief appraiser may require a
2-28 person allowed one of the exemptions in a prior year to file a new
2-29 application to confirm the person's current qualification for the
2-30 exemption by delivering a written notice that a new application is
2-31 required, accompanied by an appropriate application form, to the
2-32 person previously allowed the exemption. If the person previously
2-33 allowed the exemption is 65 years of age or older, the chief
2-34 appraiser may not cancel the exemption due to the person's failure
2-35 to file the new application unless the chief appraiser complies
2-36 with the requirements of Subsection (q), if applicable.

2-37 SECTION 4. This Act applies only to a tax year that begins
2-38 on or after the effective date of this Act.

2-39 SECTION 5. This Act takes effect January 1, 2024, but only
2-40 if the constitutional amendment proposed by the 88th Legislature,
2-41 Regular Session, 2023, to authorize the legislature to exempt from
2-42 ad valorem taxation certain tangible personal property held by a
2-43 manufacturer of medical or biomedical products as a finished good
2-44 or used in the manufacturing or processing of medical or biomedical
2-45 products is approved by the voters. If that amendment is not
2-46 approved by the voters, this Act has no effect.

2-47 * * * * *