

SUBJECT: Creating a tax exemption for necessary improvements of historical sites

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy,
Noble, E. Rodriguez, Sanford, Wray

0 nays

1 absent — Shaheen

WITNESSES: For — Rick Loessberg, Dallas County Commissioners Court; (*Registered, but did not testify*: Bill Kelly, City of Houston Mayor's Office; Adam Haynes, Conference of Urban Counties; Charles Reed, Dallas County Commissioners Court; Ender Reed, Harris County Commissioners Court; Rick Thompson, Texas Association of Counties; Monty Wynn, Texas Municipal League; Al Zito)

Against — (*Registered, but did not testify*: Lynette Lucas)

BACKGROUND: Tax Code sec. 11.24(a) allows a taxing unit to exempt from property taxation part or all of the assessed value of a structure or archaeological site and the land necessary for access to such a structure or site that:

- the Texas Historical Commission designates as a recorded Texas Historic Landmark or a state archaeological landmark; or
- the taxing unit designates as a historically or archaeologically significant site in need of tax relief to encourage its preservation.

DIGEST: HB 827 would allow a taxing unit to exempt from property taxation part or all of the assessed value of certain improvements that were economically or physically necessary to support the continued use or existence of a historical structure or archaeological site and the land necessary for access to such a site that a unit had exempted wholly or partially from taxation.

An improvement would need to be located on the same parcel of property or a parcel adjacent to the parcel on which the site was located in order to be exempted from taxation. The improvement also would have to be constructed in a manner consistent with the architectural integrity of the site.

The bill would take effect January 1, 2020, and would apply to a property tax year that began on or after that date.