

SUBJECT: Extending property tax exemption for certain religious organization lands

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy, Noble, E. Rodriguez, Sanford, Shaheen, Wray

0 nays

WITNESSES: For — (*Registered, but did not testify*: Nicole Hudgens, Texas Values Action; Jennifer Allmon, The Texas Catholic Conference of Bishops)

Against — (*Registered, but did not testify*: Jamaal Smith, City of Houston, Office of the Mayor; Alexis Tatum, Travis County Commissioners Court; and seven individuals)

BACKGROUND: Tax Code sec. 11.20(a)(6) exempts from property taxes the land that a religious organization owns for the purpose of expanding its place of regular worship. Sec. 11.20(j) limits the exemption on a tract of land contiguous to the land on which the religious organization's place of regular religious worship is located to six years.

Concerns have been raised that some small congregations may lack the resources necessary to expand their places of regular worship within six years.

DIGEST: HB 948 would extend from six years to 10 years the property tax exemption for a tract of land contiguous to a religious organization's place of regular religious worship and that the organization owned for the purpose of expanding its place of regular worship.

The bill would take effect January 1, 2020, and would apply only to property taxes imposed for a tax year beginning on or after that date.

NOTES: According to the Legislative Budget Board, the bill could reduce taxable property values and cost the Foundation School Fund, though the cost

cannot be estimated.