

BILL ANALYSIS

Senate Research Center

H.B. 1392
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Under current law, property owned by community housing development organizations (CHDOs) are exempted from ad valorem taxation. This exemption is potentially vital to the continued preservation and development of affordable housing in Texas. However, CHDOs are required to refile applications for exemptions every year. This annual redetermination may weaken the impact of the exemption because the resulting property tax savings are potentially given less weight when analyzing the CHDOs net operating income to obtain financing. H.B.1392 adds the CHDO exemption to the list of other charitable exemptions that qualify for a one-time application for exemption.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.43(c), Tax Code, to provide that an exemption provided by Section 11.182, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. Makes nonsubstantive changes.

SECTION 2. Amends Section 11.182, Tax Code, by adding Subsection (f), to require an organization, if any property owned by the organization receiving an exemption under this section has been acquired or sold during the preceding year, to file by March 31 of the following year with the chief appraiser in the county in which the relevant property is located, on a form promulgated by the comptroller of public accounts, a list of such properties acquired or sold during the preceding year.

SECTION 3. Repealer: Section 11.182(c) (regarding Community Housing Development Organizations Improving Property for Low-Income and Moderate-Income Housing), Tax Code.

SECTION 4. Effective date: January 1, 2002.