

BILL ANALYSIS

Senate Research Center
87R2095 CJC-D

H.B. 1197
By: Metcalf (Campbell)
Finance
4/22/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Tax Code allows a religious organization to claim a property tax exemption on contiguous land purchased for expansion of the organization's place of regular worship. This exemption may be claimed for no more than six years. At this time, the organization must show definitive progress towards the intended expansion. This six-year period can be difficult for smaller congregations that may lack the resources to quickly raise the funds necessary.

H.B. 1197 extends the exemption for contiguous property for expansion of the regular place of worship from six years to 10 years to give smaller congregations more time to raise the necessary funds and begin the actual expansion process.

H.B. 1197 amends current law relating to the period for which certain land owned by a religious organization for the purpose of expanding a place of religious worship or constructing a new place of religious worship may be exempted from ad valorem taxation.

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 11.20(j), Tax Code, to prohibit a tract of land that is contiguous to the tract of land on which the religious organization's place of regular religious worship is located from being exempted under Subsection (a)(6) (relating to an exemption from taxation of the land that the religious organization owns for certain purposes under certain conditions) for more than 10 years, rather than six years.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2022.