

## **BILL ANALYSIS**

Senate Research Center  
88R2347 TJB-D

S.B. 480  
By: Kolkhorst  
Local Government  
2/27/2023  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, rental housing that is constructed, rehabilitated, purchased or partly purchased with funding provided through a grant program administered by the General Land Office (GLO) is not being charged ad valorem tax.

"Dance with Todd," a nonprofit and developer of affordable housing for low income families has constructed single-family homes in Navasota, Texas, using funds awarded through a GLO grant. The City of Navasota has objected to the ad valorem tax exemption status of the newly constructed homes and has noted that comparable tax credit housing is subject to ad valorem taxation.

S.B. 480 seeks to clarify that ad valorem tax exemptions to non-profit organizations do not apply to entities that receive funds from the General Land Office to construct housing.

As proposed, S.B. 480 amends current law relating to the eligibility for an exemption from ad valorem taxation of property owned by a charitable organization that provides rental housing constructed, rehabilitated, or purchased with money awarded through a program administered by the General Land Office.

### **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 11.18, Tax Code, by adding Subsection (r), to provide that the exemption authorized by Subsection (d)(2) (relating to the requirements of a charitable organization) does not apply to real property that consists of rental housing constructed, rehabilitated, or purchased wholly or partly with money awarded through a program administered by the General Land Office.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2024.