

BILL ANALYSIS

Senate Research Center
83R801 TJB-D

H.B. 294
By: Rodriguez, Eddie (Watson)
Finance
5/9/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many communities across Texas have struggled with addressing chronic homelessness. In 2009, the Texas Legislature amended Section 11.18(d) of the Tax Code to exempt from ad valorem taxation charitable organizations that provide services to the chronically homeless in a public-private partnership with a municipality. The legislation was bracketed in application to the City of Austin only. When enacted in 2009, a qualifying organization was working in partnership with the City of Austin to develop a project on city-owned property. Unfortunately, the ability to utilize the city-owned property for the project dissolved for unrelated reasons.

A revised project is now proposed on property owned by a qualifying organization located in Travis County in the extraterritorial jurisdiction of the City of Austin. Therefore, the existing Tax Code exemption, applicable to the previous project, needs to be amended to apply to the revised project.

The legislation amends the existing exemption of Section 11.18(d)(23), designed to assist a municipality and other local governments in addressing chronic homelessness, to apply to property and improvements that are owned by a charitable organization that has been in existence for at least 12 years that are used to provide housing and related services to individuals who are unaccompanied and homeless and that is located on a single campus in Travis County.

H.B. 294 amends current law relating to the exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain homeless individuals.

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 amending Subsection (p) and adding Subsection (p-1), as follows:

(p) Provides that the exemption authorized by Subsection (d)(23) (relating to entitling an organization that qualifies as a charitable organization to an exemption from taxation of providing housing and related services to individuals who are unaccompanied and homeless and have a disabling condition and have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years) applies only to property, rather than improvements, that:

(1) is owned by a charitable organization that has been in existence for at least 12 years, rather than 10 years;

(2) is used to provide housing and related services to individuals described by that subsection; and

(3) is located on or consists of a single campus in a municipality with a population of more than 750,000 and less than 850,000 or within the extraterritorial jurisdiction of such a municipality, rather than located on a single campus owned by a municipality with a population of more than 750,000 and less than 800,000.

Makes nonsubstantive changes.

(p-1) Provides that the exemption authorized by Subsection (d)(23), notwithstanding Subsection (a)(1), applies to real property regardless of whether the real property is considered to constitute a building within the meaning of this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2014.