

BILL ANALYSIS

Senate Research Center

H.B. 115
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Finance
4/21/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

State law provides a limited property tax exemption for certain property owned by a charitable organization and used to provide housing and related services to certain individuals experiencing homelessness. The exemption is subject to specific qualifications, including one requiring the property to be located on or consist of a single campus. While this exemption has made it possible for qualifying charitable organizations to establish innovative and successful projects to address homelessness, there are concerns that this "single campus" requirement is overly restrictive and could stifle additional innovation in this area.

H.B. 115 seeks to address these concerns and allow charitable organizations to receive the exemption at multiple campuses so that they are able to serve a greater number of individuals experiencing homelessness by removing the single campus requirement.

H.B. 115 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(p), Tax Code, as follows:

(p) Provides that the exemption authorized by Subsection (d)(23) (relating to the exemption of charitable organizations that provide housing and related services to certain homeless individuals from certain property taxes) applies only to property that:

(1) is owned by a charitable organization that has been in existence for at least:

(A) 12 years if the property is located in a municipality described by Subdivision (3)(A); or

(B) two years if the property is located on or consists of a single campus in a municipality described by Subdivision (3)(B);

(2) makes no changes to this subdivision; and

(3) is located:

(A) 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 on or consists of a single campus in such a municipality; or

(B) on or consists of a single campus in a municipality with a population of more than 100,000 and less than 150,000 at least part of which is located in a county with a population of less than 5,000.

Makes nonsubstantive changes.

SECTION 2. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2022.