

By: Deshotel, Guillen

H.B. No. 3439

Substitute the following for H.B. No. 3439:

By: Cole

C.S.H.B. No. 3439

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal for ad valorem tax purposes of certain nonexempt property used for low-income or moderate-income housing.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.215, Tax Code, is amended to read as follows:

Sec. 23.215. APPRAISAL OF CERTAIN NONEXEMPT PROPERTY USED FOR LOW-INCOME OR MODERATE-INCOME HOUSING. (a) This section applies only to real property owned by an organization:

(1) for the purpose of renting the property [~~that on the effective date of this section was rented~~] to a low-income or moderate-income individual or family satisfying the organization's income eligibility requirements [~~and that continues to be used for that purpose~~];

(2) that is or will be [~~was~~] financed under the low income housing tax credit program under Subchapter DD, Chapter 2306, Government Code, and subject to a land use restriction agreement under that subchapter;

(3) that does not receive an exemption under Section 11.182 or 11.1825; and

(4) the owner of which has not entered into an agreement with any taxing unit to make payments to the taxing unit instead of taxes on the property.

(b) In appraising property that is under construction or

1 that has not reached stabilized occupancy on January 1 of the tax
2 year in which the property is appraised, the [The] chief appraiser
3 shall determine the value of [appraise] the property in the manner
4 provided by Section 11.1825(q) using the property's projected
5 income and expenses for the first full year of operation as
6 established and utilized in the underwriting report pertaining to
7 the property prepared by the Texas Department of Housing and
8 Community Affairs under Subchapter DD, Chapter 2306, Government
9 Code, and adjust that value as provided by this subsection to
10 determine the appraised value of the property. For a property under
11 construction on January 1, the chief appraiser shall adjust the
12 value to reflect the percentage of the construction that is
13 complete on January 1. For a property on which construction is
14 complete but that has not reached stabilized occupancy on January
15 1, the chief appraiser shall adjust the value to reflect the actual
16 occupancy of the property on January 1. For purposes of this
17 subsection, a property is not considered to be under construction
18 if the purpose of the work being performed on the property is the
19 maintenance or rehabilitation of the property.

20 (c) In appraising property for the first tax year following
21 the year in which construction on the property is complete and
22 occupancy of the property has stabilized and any tax year
23 subsequent to that year, the chief appraiser shall determine the
24 appraised value of the property in the manner provided by Section
25 11.1825(q).

26 SECTION 2. The change in law made by this Act applies only
27 to an ad valorem tax year that begins on or after January 1, 2022.

1 SECTION 3. This Act takes effect January 1, 2022.