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H.B. No. 4645

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of certain property used to provide low-income or moderate-income housing.

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

SECTION 1. Section 11.1825, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) An organization that leases land under a ground lease is entitled to an exemption from taxation of the improvements owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of this section. An organization that leases land as described by this subsection is considered to be the owner of the land for purposes of the provisions of this section requiring that an organization own property for the purpose of constructing or rehabilitating a housing project on the property in order to receive an exemption for the property. A reference in this section to acquiring property includes leasing the property as described by this subsection. A reference in this section to an exemption from taxation or the appraisal of property means the improvements constructed or rehabilitated on the property if the property consists of land and improvements described by this subsection.

SECTION 2. The change in law made by this Act applies only to an ad valorem tax year that begins on or after the effective date

1 of this Act.

2 SECTION 3. This Act takes effect January 1, 2024.