

BILL ANALYSIS

H.B. 2538
By: Coleman
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

HB 2538 authorizes local taxing units to designate a structure that falls under their jurisdiction as culturally significant, and then exempt all or part of its assessed value from taxation. Local taxing units currently have authority to exempt all or a portion of property taxes for homes and property designated by the state as historic or archeological landmarks, or those designated by the local governing body as historically or archeologically important. This bill addresses a growing problem that affects central city neighborhoods across the state, and allows communities to maintain their cultural identity. In Houston and other large Texas cities, property values have skyrocketed near revitalized downtown and other central city locations. Oftentimes, the land value is significantly more valuable than the houses. For example, the Third Ward of Houston has neighborhoods with large numbers of culturally significant structures known as shotgun houses, many of which date back 75 years or more. The tenants and their homes form a central part of the identity of their neighborhoods. The landlords, by providing de facto affordable housing to these tenants, ensure the fabric of their culturally significant communities remains intact. HB 2538 gives cities and counties the ability to preserve our culturally significant communities.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1 allows culturally significant sites to be designated culturally significant by the governing body of a taxing unit which can subsequently exempt all or part of the assessed value of the property from ad valorem taxation.

Section 2 ensures that this Act affects only the tax year that begins on or after the effective date of this act.

Section 3 Effective date

EFFECTIVE DATE

Immediately if this Act receives a two-thirds vote of all the members of each house, as provided by Section 39, Article III, Texas Constitution. Otherwise, it would take effect September 1, 2005.