

By: Talton

H.B. No. 1993

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the appraisal for ad valorem tax purposes of certain
3 property used to provide low-income housing.

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

5 SECTION 1. Section 11.1825(q), Water Code, is amended to
6 read as follows:

7 (q) If property qualifies for an exemption under this
8 section, the chief appraiser shall use the income method of
9 appraisal as provided by Section 23.012 to determine the appraised
10 value of the property. In appraising the property, the chief
11 appraiser shall:

12 (1) consider the restrictions provided by this section
13 on the income of the individuals or families to whom the dwelling
14 units of the housing project may be rented and the amount of rent
15 that may be charged for purposes of computing the actual rental
16 income from the property or projecting future rental income; and

17 (2) use a [~~the same~~] capitalization rate of 13.5
18 percent [~~that the chief appraiser uses to appraise other~~
19 ~~rent-restricted properties~~].

20 SECTION 2. Section 11.1825(r), Tax Code, is repealed.

21 SECTION 3. This Act applies only to ad valorem taxes imposed
22 for a tax year beginning on or after the effective date of this Act.

23 SECTION 4. This Act takes effect January 1, 2006.