

1-1 By: Paxton, et al. (Senate Sponsor - Fraser) H.B. No. 2080
1-2 (In the Senate - Received from the House May 10, 2005;
1-3 May 12, 2005, read first time and referred to Committee on Finance;
1-4 May 20, 2005, reported favorably by the following vote: Yeas 11,
1-5 Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the ad valorem tax status of a license to occupy a
1-9 dwelling unit in a tax-exempt retirement community.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter B, Chapter 23, Tax Code, is amended by
1-12 adding Section 23.135 to read as follows:

1-13 Sec. 23.135. LICENSE TO OCCUPY DWELLING UNIT IN TAX-EXEMPT
1-14 RETIREMENT COMMUNITY. A license to occupy a dwelling unit in a
1-15 retirement community that is exempt from taxation under Section
1-16 11.18(d)(19) is not a taxable leasehold or other possessory
1-17 interest in real property regardless of whether the occupant of the
1-18 dwelling unit is required to pay a refundable or nonrefundable
1-19 deposit or a periodic service fee under the contract granting the
1-20 occupant the license to occupy the dwelling unit.

1-21 SECTION 2. This Act takes effect immediately if it receives
1-22 a vote of two-thirds of all the members elected to each house, as
1-23 provided by Section 39, Article III, Texas Constitution. If this
1-24 Act does not receive the vote necessary for immediate effect, this
1-25 Act takes effect September 1, 2005.

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