

By: West, Royce

S.B. No. 426

A BILL TO BE ENTITLED

1 AN ACT

2 relating to qualification for an ad valorem tax exemption for  
3 property used to provide low-income or moderate-income housing in  
4 the event of a change in ownership of the property as a result of a  
5 foreclosure sale.

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

7 SECTION 1. Section 11.182, Tax Code, is amended by amending  
8 Subsection (j) and adding Subsection (k) to read as follows:

9 (j) An organization may not receive an exemption under  
10 Subsection (b) or ~~[under Subsection] (f) [as added by Chapter~~  
11 ~~1191, Acts of the 77th Legislature, Regular Session, 2001,]~~ for  
12 property for a tax year ~~[beginning on or after January 1, 2004,]~~  
13 unless the organization received an exemption under that subsection  
14 for the ~~[that]~~ property for any part of the 2003 tax year.

15 (k) Notwithstanding Subsection (j) of this section and  
16 Sections 11.43(a) and (c), an exemption under Subsection (b) or (f)  
17 does not terminate because of a change in the ownership of the  
18 property if the property is sold at a foreclosure sale and, not  
19 later than the 30th day after the date of the sale, the owner of the  
20 property submits to the chief appraiser evidence that the property  
21 is owned by an organization that meets the requirements of  
22 Subsections (b)(1), (2), and (4). If the owner of the property  
23 submits the evidence required by this subsection, the exemption  
24 continues to apply to the property for the remainder of the current

1 tax year and for subsequent tax years until the owner ceases to  
2 qualify the property for the exemption. This subsection does not  
3 prohibit the chief appraiser from requiring the owner to file a new  
4 application to confirm the owner's current qualification for the  
5 exemption as provided by Section 11.43(c).

6 SECTION 2. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2007.