

BILL ANALYSIS

H.B. 2284
By: Rodriguez
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, single-family or multi-family properties owned by a community housing development organization receives a 50 percent property tax exemption. The remaining amount is appraised using various criteria, including the income of tenants and any rent restrictions on the property. The appraisal method prescribed is commonly used for multi-family affordable housing but is also intended for single-family affordable housing. However, in some cases county tax appraisers have not uniformly applied the income method of valuation specified in Section 23.012, Tax Code, toward single-family affordable housing. This has resulted in incorrect value assessment and litigation. The purpose of the bill is to eliminate ambiguity and establish more uniform application of Tax Code provisions relating to the low-income property tax exemption.

H.B. 2284 emphasizes that a chief appraiser is required to use the income method of appraisal for property that qualifies for the exemption regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property.

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

H.B. 2284 amends the Tax Code to clarify that a charitable organization that otherwise qualifies for a low-income housing property tax exemption and owns property for the purposes of constructing or rehabilitating a housing project on the property and renting the housing to low-income individuals and families is entitled to the exemption regardless of whether the housing project consists of multi-family or single-family dwellings.

H.B. 2284 provides that the requirement that the chief appraiser use the income method of appraisal to determine the appraised value of a property that qualifies for a low-income housing property tax exemption applies regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property.

EFFECTIVE DATE

January 1, 2010.