

BILL ANALYSIS

H.B. 2555
By: Hilderbran
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, charitable organizations using volunteer labor and selling homes without profit are exempt from property taxes for three years or until the home is sold. Such charitable organizations could take advantage of current market conditions in the real estate sector if the property tax exemption were extended.

H.B. 2555 extends from three years to five years the property tax exemption provided to a charitable organization for its property used to build or repair housing with volunteer labor and sold without profit.

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. 2555 amends the Tax Code to extend the period of the property tax exemption for improved or unimproved real property owned by a charitable organization for the purpose of building or repairing housing on the property with volunteer labor and sold without profit to low-income individuals or families, from the third anniversary of the date the organization acquires the property to the fifth anniversary of that date.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.