

## **BILL ANALYSIS**

C.S.H.B. 2628  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Housing is both central to a strong economy and an absolutely essential necessity for human health and well-being. For more than four years, Mobile Loaves & Fishes in Austin has been providing housing to the chronically homeless, using gently used recreational vehicles placed in local RV parks. Over 85 percent of those served have continued to remain housed.

State law establishes exemptions from property taxation for a charitable organization based on the charitable functions provided by the organization. This bill seeks to enable Mobile Loaves & Fishes, in partnership with the City of Austin, to develop a project based on this successful model, placed on city-owned property, and using RVs owned by the organization. Containing the cost of operations and thus the ultimate cost of rent for each of its residents is essential to the success of this partnership. Hopefully, other communities will be encouraged to pursue similar public-private partnerships to address the chronically homeless.

C.S.H.B. 2628 exempts from property taxation certain property owned by a charitable organization that provides services to the chronically homeless in a public-private partnership with a municipality. The bill exempts the improvements used by the charitable organization to provide these services from those taxes.

### **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**

C.S.H.B. 2628 reenacts and amends Section 11.18(d), Tax Code, as amended by Chapters 1034 (H.B. 1742) and 1341 (S.B. 1908), Acts of the 80th Legislature, Regular Session, 2007, to add to the charitable functions, one or more of which a charitable organization must exclusively perform to qualify for a property tax exemption for certain improvements, the provision of housing and related services to individuals who are unaccompanied and homeless and have a disabling condition; and have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years. The bill establishes that the exemption applies only to improvements owned by a charitable organization that has been in existence for at least 10 years, used to provide housing and related services to the individuals described, and located on a single campus owned by a municipality with a population of more than 600,000 and less than 700,000. The bill makes its provisions applicable to a property tax year that begins on or after the bill's effective date.

### **EFFECTIVE DATE**

January 1, 2010.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2628 differs from the original by clarifying that the property tax exemption for certain improvements owned by a charitable organization applies only to improvements that, in addition to meeting other qualifications, are located on a single campus owned by a municipality with a population of more than 600,000 and less than 700,000, rather than a single campus owned by a municipal corporation as in the original.