

By: Rodriguez

H.B. No. 2284

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the ad valorem taxation of property owned by certain  
3 organizations and used to provide affordable housing.

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

5 SECTION 1. Sections 11.1825(f) and (q), Tax Code, are  
6 amended to read as follows:

7 (f) For property to be exempt under this section, the  
8 organization must own the property for the purpose of constructing  
9 or rehabilitating a housing project on the property and:

10 (1) renting the housing, regardless of whether the  
11 housing project consists of multi-family or single-family  
12 dwellings, to individuals or families whose median income is not  
13 more than 60 percent of the greater of:

14 (A) the area median family income for the  
15 household's place of residence, as adjusted for family size and as  
16 established by the United States Department of Housing and Urban  
17 Development; or

18 (B) the statewide area median family income, as  
19 adjusted for family size and as established by the United States  
20 Department of Housing and Urban Development; or

21 (2) selling single-family dwellings to individuals or  
22 families whose median income is not more than the greater of:

23 (A) the area median family income for the  
24 household's place of residence, as adjusted for family size and as

1 established by the United States Department of Housing and Urban  
2 Development; or

3 (B) the statewide area median family income, as  
4 adjusted for family size and as established by the United States  
5 Department of Housing and Urban Development.

6 (q) If property qualifies for an exemption under this  
7 section, the chief appraiser shall use the income method of  
8 appraisal as described [~~provided~~] by Section 23.012 to determine  
9 the appraised value of the property. The chief appraiser shall use  
10 that method regardless of whether the chief appraiser considers  
11 that method to be the most appropriate method of appraising the  
12 property. In appraising the property, the chief appraiser shall:

13 (1) consider the restrictions provided by this section  
14 on the income of the individuals or families to whom the dwelling  
15 units of the housing project may be rented and the amount of rent  
16 that may be charged for purposes of computing the actual rental  
17 income from the property or projecting future rental income; and

18 (2) use the same capitalization rate that the chief  
19 appraiser uses to appraise other rent-restricted properties.

20 SECTION 2. This Act applies only to ad valorem taxes imposed  
21 for a tax year beginning on or after the effective date of this Act.

22 SECTION 3. This Act takes effect January 1, 2010.