

BILL ANALYSIS

H.B. 1576
By: Garza
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Certain tax-exempt property used to provide low-income or moderate-income housing is required, as a condition of the exemption, to establish and maintain the elements necessary to qualify for continuation of the exemption and is subject to various penalties if qualifying standards are not maintained. According to interested parties, as property taxes have assumed a larger role in the generation of state and local revenue, the tax-exempt status of such property has become increasingly problematic.

A recent joint committee hearing cited a lack of clearly defined legislation to establish consistent guidelines for property valuations, tax exemption qualifications, and the uniform application of compliance measures as an obstacle to the affordability of low-income housing. H.B. 1576 seeks to clarify certain provisions of law relating to the taxation of property used to provide low-income or moderate-income housing.

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. 1576 amends the Tax Code to establish that, for purposes of determining whether an organization constructing or rehabilitating low-income housing or a community housing development organization has satisfied the requirement of preparing an audit in order to qualify for a property tax exemption, an opinion included in such an audit prepared by an independent auditor who is licensed by the state as a certified public accountant or a determination of tax-exempt status under federal law issued by the United States Internal Revenue Service is prima facie evidence of the facts stated in the opinion or determination.

EFFECTIVE DATE

January 1, 2012.