

BILL ANALYSIS

C.S.H.B. 2746
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It is often the case that a home builder planning to build single-family homes purchases open-space land that has been taxed as agricultural land based on a substantially lower appraisal value. Currently, when a change of use of open-space land occurs, an additional tax, plus interest, is imposed on the land for up to five tax years preceding the date of the change of use.

C.S.H.B. 2746 seeks to support efforts to build housing for low-income individuals and families by making this additional tax and interest inapplicable to land transferred to certain charitable organizations for the purpose of building housing to sell without profit to a low-income individual or family and for which the commissioners court of the county in which the real property is located waives the tax.

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. 2746 amends the Tax Code to exempt the transfer of agricultural land appraised for property tax purposes as qualified open-space land to a charitable organization engaged in the building, repair, and sale of low-income housing from the additional tax imposed in the event of a change in the use of such land if the organization converts the real property to a use for which the real property is eligible for a tax exemption under provisions of law relating to property owned by such an organization and the commissioners court of the county in which the real property is located waives the additional tax.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2746 differs from the original, in a provision exempting the transfer of agricultural land appraised for property tax purposes as qualified open-space land to a charitable organization engaged in the building, repair, and sale of low-income housing from the additional tax imposed in the event of a change in the use of such land, by adding as a condition to such an exemption that the commissioners court of the county in which the transferred real property is located waive the additional tax, whereas the original does not add that condition to the exemption.