

By: Brown

H.B. No. 3704

A BILL TO BE ENTITLED

AN ACT

relating to the taxation of political subdivisions of the state.

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

SECTION 1. Section 11.1825, Tax Code, is amended by adding Subsection (z) to read as follows:

(z)(1) A community housing development organization entitled to an exemption from taxation under this section is also entitled to an exemption from taxation of the buildings and other real and tangible personal property that are owned by the organization, and except as provided by Subsection (z)(2) are used exclusively by the organization in the administration of its acquisition, building, repair, sale, or rental of property, or by political subdivisions of the state that:

(a) are eligible for an exemption from taxation under Chapter 11 of this code, and

(b) are exempt from federal income taxes or have their revenue exempted from federal income taxes under Section 115 of the Internal Revenue Code.

(2) Use of property exempt by reason of this subsection by persons not qualifying under (z)(1) above does not result in the loss of an exemption authorized by this Subsection (z) if such use is incidental to or furthers the exempt purposes of the owner or an organization qualified under (1)(a) and (b) above.

SECTION 2. This Act takes effect September 1, 2011.