

By: West

S.B. No. 193

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of certain property used to provide low-income and moderate-income housing.

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

SECTION 1. Section 11.182(g), Tax Code, is amended to read as follows:

(g) To receive an exemption under Subsection (b) or (f), an organization must annually:

(1) have an audit prepared by an independent auditor that includes [~~. The audit must include~~] a detailed report on the organization's sources and uses of funds; and

(2) deliver a [~~. A~~] copy of the audit [~~must be delivered~~] to the Texas Department of Housing and Community Affairs and to the chief appraiser of the appraisal district in which the property subject to the exemption is located.

SECTION 2. Sections 11.1826(b) and (c), Tax Code, are amended to read as follows:

(b) Property may not be exempted under Section 11.1825 for a tax year unless the organization owning or controlling the owner of the property:

(1) has an audit prepared by an independent auditor covering the organization's most recent fiscal year that:

(A) is [~~. The audit must be~~] conducted in accordance with generally accepted accounting principles; and

1 (B) includes [~~. The audit must include~~] an
2 opinion on whether:

3 (i) [~~(1)~~] the financial statements of the
4 organization present fairly, in all material respects and in
5 conformity with generally accepted accounting principles, the
6 financial position, changes in net assets, and cash flows of the
7 organization; and

8 (ii) [~~(2)~~] the organization has complied
9 with all of the terms and conditions of the exemption under Section
10 11.1825; and

11 (2) delivers a copy of the audit in accordance with
12 Subsection (c).

13 (c) Not later than the 180th day after the last day of the
14 organization's most recent fiscal year, the organization must
15 deliver a copy of the audit to the department and the chief
16 appraiser of the appraisal district in which the property is
17 located. The chief appraiser may extend the deadline for good cause
18 shown.

19 SECTION 3. This Act takes effect January 1, 2014.