

By: Isaac

H.B. No. 3999

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal for ad valorem tax purposes of certain property used to provide affordable housing.

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

SECTION 1. Section 23.21, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) This subsection applies only to real property that was previously owned by a charitable organization meeting the requirements of Sections 11.18(e) and (f) and that was sold to a low-income or moderate-income individual or family meeting income eligibility standards established by the organization under regulations or restrictions limiting to a percentage of the individual's or the family's income the amount that the individual or family was required to pay for purchasing the property. If the property was sold pursuant to a shared or fixed appreciation affordable housing program established by the organization the regulations of which provide that for a fixed period of time the organization is entitled to a portion of the appreciation in value of the property, if any, on sale of the property, the chief appraiser:

(1) may not take into account the portion of the appreciation in value of the property the organization would be entitled to receive if the property were sold on January 1 of the tax year in which the property is appraised when determining the

1 appraised value of the property in that tax year; and

2 (2) shall take into account when appraising the
3 property the extent to which any regulations, resale restrictions,
4 or conditions applicable to the property established by the
5 organization reduce the market value of the property.

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

8 SECTION 3. This Act takes effect January 1, 2018.