

BILL ANALYSIS

C.S.H.B. 1201
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that a property tax exemption is available for certain buildings, real property, and tangible personal property owned and used by qualifying charitable organizations that provide valuable services for the people of their communities. However, there are concerns that some organizations providing housing counseling services and rental housing to low-income and moderate-income households are unable to receive this exemption. C.S.H.B. 1201 seeks to address this issue by including certain such organizations among those qualified for the property tax exemption.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 1201 amends the Tax Code to include as an authorized charitable function for purposes of qualifying for the property tax exemption for charitable organizations the provision of services as a U.S. Department of Housing and Urban Development (HUD) approved housing counseling agency, as defined by federal law, without regard to the beneficiaries' ability to pay and provision of rental housing to low-income and moderate-income households at below-market rates. The exemption is available on that basis only with respect to property that is used to provide rental housing to low-income and moderate-income households at below-market rates.

EFFECTIVE DATE

January 1, 2020.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1201 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute limits the qualifying housing counseling services to those provided by a HUD-approved housing counseling agency, as defined by federal law.