86R7450 CJC-F

By:  Miles S.B. No. 836

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal for ad valorem tax purposes of a housing unit that the owner or a predecessor of the owner acquired from a community land trust.

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

SECTION 1.  Section 23.21(d), Tax Code, is amended to read as follows:

(d)  In appraising a housing unit that the owner or a predecessor of the owner acquired from a community land trust created or designated under Section 373B.002, Local Government Code, and that is located on land owned by the trust and leased by the owner of the housing unit, the chief appraiser shall take into account the extent to which any regulations or restrictions limiting the right of the owner of the housing unit to sell the housing unit, including any limitation on the price for which the housing unit may be sold, reduce the market value of the housing unit. If the sale of the housing unit is subject to an eligible land use restriction, the chief appraiser may not appraise the housing unit in a tax year for an amount that exceeds the price for which the housing unit may be sold under the eligible land use restriction in that tax year. For purposes of this subsection, "eligible land use restriction" means an agreement or restrictive covenant applicable to a housing unit that:

(1)  is recorded in the real property records;

(2)  has a term of at least 40 years;

(3)  restricts the price for which the housing unit may be sold to a price that is or may be less than the market value of the housing unit; and

(4)  restricts the sale of the housing unit to a family meeting the income-eligibility standards established by Section 373B.006, Local Government Code.

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

SECTION 3.  This Act takes effect September 1, 2019.