

By: Thompson of Harris

H.B. No. 1841

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the appraisal for ad valorem tax purposes of a housing
3 unit that the owner or a predecessor of the owner acquired from a
4 community land trust.

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

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

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

24 (1) is recorded in the real property records;

1 (2) has a term of at least 40 years;

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

5 (4) restricts the sale of the housing unit to a family
6 meeting the income-eligibility standards established by Section
7 [373B.006](#), Local Government Code.

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

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