

By: Miles

S.B. No. 836

A BILL TO BE ENTITLED

1 AN ACT  
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.