

BILL ANALYSIS

H.B. 1841
By: Thompson, Senfronia
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Municipalities and counties can establish community land trusts to expand homeownership opportunities for low-income and moderate-income families, particularly in areas with rapidly rising property values. Under such an arrangement, an income-eligible family can purchase a home at an affordable price from the land trust, and the trust maintains ownership of the land and leases the land to the family under a long-term ground lease. The terms of such a ground lease restricts the resale of the home to another income-eligible family and caps the resale price of the home to preserve the long-term affordability of the home. Concerns have been raised that these homes subject to these arrangements are being assessed at an appraised value that exceeds the resale value of the home, given the resale price limitations for community land trusts. H.B. 1841 seeks to address this concern by prohibiting a chief appraiser from appraising a housing unit acquired from a community land trust 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.

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

H.B. 1841 amends the Tax Code, with regard to a housing unit that the owner or a predecessor of the owner acquired from a community land trust and that is located on land owned by the trust and leased by the owner of the housing unit, to prohibit a chief appraiser from appraising 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, if the sale of the housing unit is subject to an eligible land use restriction. The bill defines for its purposes "eligible land use restriction."

EFFECTIVE DATE

September 1, 2019.