

## **BILL ANALYSIS**

Senate Research Center  
81R25451 JE-D

H.B. 2628  
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Finance  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Housing is both central to a strong economy and an absolutely essential necessity for human health and well-being. For more than four years, Mobile Loaves & Fishes in Austin has been providing housing to the chronically homeless, using gently used recreational vehicles placed in local RV parks. Over 85 percent of those served have continued to remain housed.

State law establishes exemptions from property taxation for a charitable organization based on the charitable functions provide by the organization. Containing the cost of operations and thus the ultimate cost of rent for each of its residents is essential to the success of this partnership. Hopefully, other communities will be encouraged to pursue similar public-private partnerships to address the chronically homeless.

This bill creates a property tax incentive allowing one valued, nonprofit agency in Austin, Mobile Loaves and Fishes, to provide homeless services in the city.

H.B. 2628 amends current law relating to an exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain individuals.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Reenacts Section 11.18(d), Tax Code, as amended by Chapters 1034 (H.B. 1742) and 1342 (S.B. 1908), Acts of the 80th Legislature, Regular Session, 2007, and amends it to require a charitable organization to be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) (relating to performance of noncharitable functions by a charitable organization that owns or uses exempt property) and (l) (relating to requirements for a charitable organization that provides support to elderly persons), engage exclusively in performing one or more of certain charitable functions, including providing housing and related services to individuals who are unaccompanied and homeless and have a disabling condition, and have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years.

SECTION 2. Amends Section 11.18, Tax Code, by adding Subsection (p), to provide that the exemption authorized by Subsection (d)(23) (relating to the provision of housing and related services to certain individuals) applies only to improvements that are owned by a charitable organization that has been in existence for at least 10 years; are used to provide housing and related services to individuals described by that subsection; and are located on a single campus owned by a municipality with a population of more than 600,000 and less than 700,000.

SECTION 3. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 4. Effective date: January 1, 2010.