

1 AN ACT

2 relating to the ad valorem tax status of a license to occupy a  
3 dwelling unit in a tax-exempt retirement community.

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

5 SECTION 1. Subchapter B, Chapter 23, Tax Code, is amended by  
6 adding Section 23.135 to read as follows:

7 Sec. 23.135. LICENSE TO OCCUPY DWELLING UNIT IN TAX-EXEMPT  
8 RETIREMENT COMMUNITY. A license to occupy a dwelling unit in a  
9 retirement community that is exempt from taxation under Section  
10 11.18(d)(19) is not a taxable leasehold or other possessory  
11 interest in real property regardless of whether the occupant of the  
12 dwelling unit is required to pay a refundable or nonrefundable  
13 deposit or a periodic service fee under the contract granting the  
14 occupant the license to occupy the dwelling unit.

15 SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2005.

David Dewhurst

President of the Senate

Jim Cuddihy

Speaker of the House

I certify that H.B. No. 2080 was passed by the House on May 9, 2005, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Robert Hancey  
Chief Clerk of the House

I certify that H.B. No. 2080 was passed by the Senate on May 23, 2005, by the following vote: Yeas 31, Nays 0.

Daisy Graw  
Secretary of the Senate

APPROVED:

17 JUNE '05

Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
11:20 AM CLOCK

JUN 17 2005

Roger Williams  
Secretary of State