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## MEMORANDUM

**TO:** Dave Anderson, Chair  
Planning Commission Members

**FROM:** Maureen Meredith, Senior Planner  
Planning and Development Review Department

**DATE:** May 7, 2013

**SUBJECT:** Presentation by Marya Crigler, Chief Appraiser, Travis County Appraisal District

At the April 9, 2013 PC hearing, Commissioner Chimenti asked staff to research the answer to this question: *When property is a commercial venture, but ownership is retained by the church, do they pay property taxes on a portion that is a commercial venture?*

On April 15, 2013, Marya Crigler, Chief Appraiser at the Travis County Appraisal District, provided the following response.

Per the Texas Property Tax Code section 11.20(a)(1) an organization is entitled to an exemption from taxation of "the real property that is owned by the religious organization, is used primarily as a place of worship, and is reasonably necessary for engaging in religious worship".

For the examples given:

1. If the property were developed with commercial medical offices it would no longer be used primarily as a place of worship and would not qualify for the exemption.
2. If the organization used a portion of the building primarily for religious purposes then the portion used ( for example 4,000 square feet of a 50,000 square foot building) would be exempt and the remainder would not be exempt.
3. If the building is used for commercial purpose then both the land and the building would be taxable.

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Ms. Crigler will give a presentation at the May 14, 2013 Planning Commission hearing to provide more information on this subject and to answer Planning Commissioners' questions.

If you need additional information, please contact Maureen Meredith at 974-2695 or at [Maureen.meredith@austintexas.gov](mailto:Maureen.meredith@austintexas.gov).