

# Robert E. Talton

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MAY 19 2006

OPINION COMMITTEE

May 15, 2006

**RQ-0489-GA**

The Honorable Greg Abbott  
Texas Attorney General  
Attn: Opinions Committee  
P.O. Box 12548  
Austin, Texas 78711-2548

FILE # ML-44807-06  
I.D. # 44807

Dear General Abbott:

The purpose of this letter is to request an attorney general's opinion on the question of the tax-exempt status of entities that are public-private partnerships. Specifically, Section 11.11(a) of the Texas Property Code exempts from ad valorem taxation "property owned by this state or a political subdivision of this state ... if the property is used for public purposes." Would property used for public purposes, but not otherwise exempt, and owned by a limited partnership comprised of a political subdivision 100% general partner and private for-profit or non-profit entities in the role of limited partners be exempt from ad valorem taxation?

While the statute is clear as to the tax-exempt status of property owned by a political subdivision, it is unclear as to the status of property owned by limited partnerships created by political subdivisions to engage in activities that further public purposes.

As these public-private partnerships by cities and other political subdivisions have become more prolific across the state in recent years, the issue of their impact on property taxation has reached my attention as Chairman of the House Urban Affairs Committee. This is an important issue as we approach another important session dealing with property taxation.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Talton".

Robert E. Talton  
State Representative

