TAX - TEXAS

Tarrant Appraisal District v. Tarrant Regional Water District

Court of Appeals of Texas, Fort Worth - April 19, 2018 - S.W.3d - 2018 WL 1865918

Tax appraisal review board denied regional water control and improvement district an exemption from ad valorem taxation on the part of its property that was leased to a restaurant, and granted an exemption on a smaller part of the property.

District appealed. The District Court granted district's motion for summary judgment. County appraisal district appealed.

On rehearing, the Court of Appeals held that:

- Statute providing tax exemption for public property used for a public purpose did not require that the property be exclusively used for public purposes, overruling *Grand Prairie Hosp. Auth. v. Tarrant Appraisal Dist.*, 707 S.W.2d 281, and
- Portion of property leased to restaurant was used for public purposes and thus was exempt from taxation.

Regional water control and improvement district was entitled to tax exemption under statute exempting from taxation property that was owned by the state or a political subdivision and used for a public purpose, as long as its property was used for a public purpose, and had no obligation to prove that the property was devoted exclusively to use and benefit of the public; overruling *Grand Prairie Hosp. Auth. v. Tarrant Appraisal Dist.*, 707 S.W.2d 281.

Property owned by regional water control and improvement district and leased to restaurant was used for "public purposes" within meaning of statute exempting property owned by the state or a political subdivision from taxation if the property was used for public purposes, and thus district was entitled to tax exemption for the property; the property was used for a public purpose before a portion of the property was leased to the restaurant, and the district had a plan to use the property for recreational purposes for the public, which included a pavilion, common areas, and location adjacent to trail system.

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