TEXAS COURT OF APPEALS, THIRD DISTRICT, AT AUSTIN

South ½ Block 8 Venture v. Travis Central Appraisal District

No. 03-23-00764-CV (Tex. App. 2025) · No. 03-23-00764-CV · Decided November 26, 2025

SUMMARY

The Texas Court of Appeals, Third District, held that an equitable owner's status as a religious organization may support a property-tax exemption under Texas Tax Code section 11.20. The court concluded that the First Church of Christ, Scientist, was the equitable owner of the parcel because it could unilaterally withdraw from the partnership and compel reconveyance of the property. The court reversed the trial court's summary judgment for Travis Central Appraisal District and rendered judgment that the parcel was exempt from taxation for the relevant years.

CASE DETAILS

COURT	Texas Court of Appeals, Third District, at Austin
WRITING FOR THE COURT	Darlene Byrne; Justice Theofanis; Justice Ellis
JURISDICTION	Texas Court of Appeals, Third District, at Austin
DECIDED	November 26, 2025
DOCKET	03-23-00764-CV
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from trial court's summary judgment in favor of TCAD.
STANDARD OF REVIEW	De novo review of summary judgment and statutory construction questions.
PRECEDENTIAL VALUE	Published opinion of the Texas Court of Appeals, Third District.
PARTIES	South ½ Block 8 Venture v. Travis Central Appraisal District

TOPICS

property tax · statutory interpretation · real estate · appellate procedure

PRACTICE AREAS

Tax Law · Real Property · Appellate Procedure

QUESTIONS PRESENTED

1. Whether a church's equitable ownership and use of real property can exempt that property from property tax under the religious-organizations exemption when another entity is the legal owner.
2. Whether the trial court erred in granting summary judgment to TCAD and denying summary judgment to the Venture.

HOLDINGS

1. The terms 'owner,' 'owned,' and 'owns' in the Texas Tax Code's property-tax exemption provisions include equitable ownership, consistent with the Texas Supreme Court's holding in AHF-Arbors regarding CHDOs. Therefore, a religious organization that is an equitable owner of property used for religious purposes qualifies for the religious-organizations exemption.
2. As a matter of law, the Church is the equitable owner of the Parcel because it has the present, unqualified power to compel the Venture to convey legal title to it by exercising its unrestricted right to withdraw from the partnership.
3. The Venture is entitled to the exemption. The Church is a religious organization under the Tax Code, it used the Parcel for religious worship, and its equitable ownership and qualifying use entitled it to the exemption, which can be imputed to the Venture as the legal-title holder.

KEY QUOTATIONS

> *“The terms 'own,' 'owners,' and their variants should have consistent meaning within the property-tax exemptions provisions of the Tax Code.”*

> *“The Church can compel the conveyance of legal title by exercising its unrestricted right to withdraw from the Venture.”*

> *“The Church's right to regain legal title is not contingent on the actions of others.”*

> *“The Church is the equitable owner of the Parcel as a matter of law.”*

FACTUAL BACKGROUND

The Church purchased a building and used it as a Reading Room. In 2012, it formed a partnership (Venture) with owners of adjacent lots, conveying its property to the Venture. The partnership agreement allowed any partner to withdraw unconditionally, requiring the Venture to convey back the contributed property. TCAD initially granted the Church a religious-organizations exemption but later revoked it retroactively to 2015. The Appraisal Review Board adjusted the exemption, leading to this lawsuit.

PROCEDURAL HISTORY

The Venture sued TCAD seeking judicial review of the denial of the religious-organizations property tax exemption for tax years 2015, 2016, and 2017. Both parties filed traditional motions for summary judgment. The trial court granted TCAD's motion and denied the Venture's motion without stating a basis. The Venture appealed.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

We reverse the trial-court judgment. We render judgment that the Parcel was fully exempt from property tax in 2015, 2016, and 2017.

CASES CITED

- AHF-Arbors at Huntsville I, LLC v. Walker Cnty. Appraisal Dist., 410 S.W.3d 831 (Tex. 2012)
- TRQ Captain's Landing v. Galveston Cent. Appraisal Dist., 212 S.W.3d 726 (Tex. App.—Houston [1st Dist.] 2006)
- Bailey v. Cherokee Cnty. Appraisal Dist., 862 S.W.2d 581 (Tex. 1993)
- Bexar Cnty. Appraisal Rev. Bd. v. First Baptist Church, 846 S.W.2d 554 (Tex. App.—San Antonio 1993, writ denied)
- Harris Cnty. Appraisal Dist. v. Southeast Tex. Hous. Fin. Corp., 991 S.W.2d 18 (Tex. App.—Amarillo 1998, no pet.)
- Cypress Fairbanks Indep. Sch. Dist. v. Glen W. Loggins, Inc., 115 S.W.3d 67 (Tex. App.—San Antonio 2003, pet. denied)
- Texas Tpk. Co. v. Dallas County, 271 S.W.2d 400 (Tex. 1954)
- Provident Life & Accident Ins. Co. v. Knott, 128 S.W.3d 211 (Tex. 2003)
- Mann Frankfort Stein & Lipp Advisors, Inc. v. Fielding, 289 S.W.3d 844 (Tex. 2009)
- Guynes v. Galveston County, 861 S.W.2d 861 (Tex. 1993)
- Merriman v. XTO Energy, Inc., 407 S.W.3d 244 (Tex. 2013)
- Southwest Royalties, Inc. v. Hegar, 500 S.W.3d 400 (Tex. 2016)
- Greater Houston P'ship v. Paxton, 468 S.W.3d 51 (Tex. 2015)
- Davies v. Meyer, 541 S.W.2d 827 (Tex. 1976)
- AHF-Arbors at Huntsville I, LLC v. Walker Cnty. Appraisal Dist., 410 S.W.3d 831 n.30 (Tex. 2012)
- Texas Dep't of Transp. v. Needham, 82 S.W.3d 314 (Tex. 2002)

INSTRUCTIONS FOR AN AI ASSISTANT