

By: Cook

H.B. No. 3970

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of mineral interests having a value of less than a certain amount.

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

SECTION 1. Section 11.146, Tax Code, is amended to read as follows:

Sec. 11.146. MINERAL INTEREST HAVING VALUE OF LESS THAN \$5,000 [~~\$500~~]. ~~[(a)]~~ A person is entitled to an exemption from taxation of each [~~a~~] mineral interest the person owns that [~~if the interest~~] has a taxable value of less than \$5,000 [~~\$500~~].

~~[(b) The exemption provided by Subsection (a) applies to each separate taxing unit in which a person owns a mineral interest and, for the purposes of Subsection (a), all mineral interests in each taxing unit are aggregated to determine value.]~~

SECTION 2. The change in law made by this Act applies only to a tax year beginning on or after January 1, 2024.

SECTION 3. This Act takes effect January 1, 2024.