

BILL ANALYSIS

H.B. 456
By: Craddick
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are inconsistencies in the taxation of royalty interests in mineral rights held by certain nonprofits. This has resulted in some nonprofits paying property taxes on the royalty interests in their respective county while others do not. H.B. 456 seeks to provide clarity and consistency by exempting from property taxation a royalty interest in mineral rights held by a qualifying charitable organization.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 456 amends the Tax Code to exempt from property taxation a royalty interest in mineral rights that is owned by a charitable organization that is otherwise qualified to receive an exemption from taxation of certain buildings and real property the organization owns. This exemption applies only to taxes imposed for a tax year beginning on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2024.