

AN ACT

1  
2 relating to an exemption from ad valorem taxation of certain  
3 interests in a mineral in place owned by certain charitable  
4 organizations.

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

6 SECTION 1. Section 11.18(a), Tax Code, is amended to read as  
7 follows:

8 (a) An organization that qualifies as a charitable  
9 organization as provided by this section is entitled to an  
10 exemption from taxation of:

11 (1) the buildings and tangible personal property that:  
12 (A) are owned by the charitable organization; and  
13 (B) except as permitted by Subsection (b), are  
14 used exclusively by qualified charitable organizations; ~~and~~

15 (2) the real property owned by the charitable  
16 organization consisting of:

17 (A) an incomplete improvement that:  
18 (i) is under active construction or other  
19 physical preparation; and  
20 (ii) is designed and intended to be used  
21 exclusively by qualified charitable organizations; and

22 (B) the land on which the incomplete improvement  
23 is located that will be reasonably necessary for the use of the  
24 improvement by qualified charitable organizations; and

1           (3) if the charitable organization is described by  
2 Subsection (d)(1), (2), (3)(A)(ii), (5), (8), (13), (15), or (19),  
3 the real property owned by the charitable organization consisting  
4 of an interest in a mineral in place, including a royalty interest,  
5 provided that the interest:

6                   (A) is not severed from the surface estate; or

7                   (B) was donated to the charitable organization by  
8 the previous owner of the interest.

9           SECTION 2. This Act applies only to ad valorem taxes imposed  
10 for a tax year beginning on or after the effective date of this Act.

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

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President of the Senate

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Speaker of the House

I certify that H.B. No. 456 was passed by the House on April 5, 2023, by the following vote: Yeas 145, Nays 1, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 456 on May 25, 2023, by the following vote: Yeas 135, Nays 2, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 456 was passed by the Senate, with amendments, on May 21, 2023, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor