

1-1 By: Craddick, et al. (Senate Sponsor - King) H.B. No. 456
1-2 (In the Senate - Received from the House April 5, 2023;
1-3 April 12, 2023, read first time and referred to Committee on Local
1-4 Government; May 18, 2023, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 May 18, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 456 By: Springer

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to an exemption from ad valorem taxation of certain
1-22 interests in a mineral in place owned by certain charitable
1-23 organizations.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 11.18(a), Tax Code, is amended to read as
1-26 follows:

1-27 (a) An organization that qualifies as a charitable
1-28 organization as provided by this section is entitled to an
1-29 exemption from taxation of:

1-30 (1) the buildings and tangible personal property that:

1-31 (A) are owned by the charitable organization; and

1-32 (B) except as permitted by Subsection (b), are
1-33 used exclusively by qualified charitable organizations; ~~and~~

1-34 (2) the real property owned by the charitable
1-35 organization consisting of:

1-36 (A) an incomplete improvement that:

1-37 (i) is under active construction or other
1-38 physical preparation; and

1-39 (ii) is designed and intended to be used
1-40 exclusively by qualified charitable organizations; and

1-41 (B) the land on which the incomplete improvement
1-42 is located that will be reasonably necessary for the use of the
1-43 improvement by qualified charitable organizations; and

1-44 (3) if the charitable organization is described by
1-45 Subsection (d)(1), (2), (3)(A)(ii), (5), (8), (13), (15), or (19),
1-46 the real property owned by the charitable organization consisting
1-47 of an interest in a mineral in place, including a royalty interest,
1-48 provided that the interest:

1-49 (A) is not severed from the surface estate; or

1-50 (B) was donated to the charitable organization by
1-51 the previous owner of the interest.

1-52 SECTION 2. This Act applies only to ad valorem taxes imposed
1-53 for a tax year beginning on or after the effective date of this Act.

1-54 SECTION 3. This Act takes effect January 1, 2024.

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