

BILL ANALYSIS

H.B. 23
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the Houston Livestock Show and Rodeo (HLSR) supports the Houston community and promotes agriculture through its annual family-friendly experiences that educate and entertain the public, showcase western heritage, and support Texas youth. The bill author has further informed the committee that HLSR would like to continue to develop its properties to supplement and enhance components of its annual show and to further the overall mission of the organization, but that current law lacks clarity as to how the property tax exemption for nonprofit organizations, such as HLSR, is applied when an organization develops its properties. H.B. 23 seeks to add that clarity to the law and to promote agriculture, youth initiatives, and educational resources that benefit the state by codifying a property tax exemption for applicable organizations.

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. 23 amends the Tax Code to exempt from all property taxation all real and personal property in a county with a population of 3.3 million or more that is owned by a nonprofit corporation, as that term is defined by an applicable Business Organizations Code provision, organized exclusively for charitable, educational, and scientific purposes, and held for use in promoting agriculture, supporting youth, and providing educational support in the community. The bill establishes that this provision expressly does not exempt from property taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from taxation under this provision.

H.B. 23 applies only to a property tax year that begins on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2026