

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATURE 2nd CALLED SESSION 2025**

**August 21, 2025**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB23** by Harless (Relating to the exemption from ad valorem taxation of property owned by certain nonprofit corporations, located in a populous county, and used to promote agriculture, support youth, and provide educational support in the community.), **As Introduced**

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| <b>No significant fiscal implication to the State is anticipated.</b> |
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The bill would exempt from property tax all real and personal property owned by a certain nonprofit corporation that is organized exclusively for charitable, educational, and scientific purposes, and is used for promoting agriculture, supporting Texas youth, and providing educational support within the community in a county with a population of more than 3.3 million.

The bill would not exempt any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property owned by a nonprofit corporation that would otherwise qualify for the exemption.

The bill would create a new property tax exemption for a nonprofit corporation promoting agriculture, supporting Texas youth, and providing educational support within Harris County. This exemption would be limited in geographical scope and would affect the respective units of local government. Passage of the bill would reduce taxable property value and associated property tax collections. Under provisions of the Education Code, the school district tax revenue loss is partially transferred to the state. However, it is unlikely to be significant.

**Local Government Impact**

Passage of the bill would create a new property tax exemption for a nonprofit corporation promoting agriculture, supporting Texas youth, and providing educational support within Harris County, which would reduce taxable value. However, the no-new-revenue and voter-approval tax rates as provided by Section 26.04, Tax Code would be higher as a consequence of the reduced taxable property value proposed by the bill.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD, BRI