

BILL ANALYSIS

Senate Research Center
89R20572 RDS-F

H.B. 247
By: Guillen (Middleton)
Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As of February 20, 2025, the Texas Facilities Commission has completed 56.9 miles of border wall and has closed on 105 easements that enable the construction of border infrastructure on private land. The author informed the committee that the installation of border security infrastructure on private land could place an unexpected and unfair burden on property owners who dedicate land for that purpose by increasing the property's appraised value, which could increase property taxes. H.B. 247 seeks to ensure that property owners supporting border security efforts are not financially penalized for their contributions by providing a property tax exemption for the value added to property through the construction or installation of improvements installed or constructed under a qualified border security infrastructure agreement or on land dedicated for that purpose through a recorded easement.

H.B. 247 amends current law relating to an exemption from ad valorem taxation of the amount of the appraised value of real property located in certain counties that arises from the installation or construction on the property of border security infrastructure and related improvements and to the consideration of the price paid by certain governmental entities for a parcel of or easement in real property purchased for the purpose of installing or constructing such infrastructure when appraising other real property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.38, as follows:

Sec. 11.38. BORDER SECURITY INFRASTRUCTURE. (a) Provides that this section applies only to real property located in a county that borders the United Mexican States.

(b) Defines "border security infrastructure" and "qualified border security infrastructure agreement."

(c) Provides that a person is entitled to an exemption from taxation of the amount of appraised value of real property owned by the person that arises from the installation or construction on the property of an improvement that is installed or constructed under a qualified border security infrastructure agreement or on land subject to a recorded easement granted by the property owner to this state or the United States that dedicates the property for a purpose described by Subsection (b)(1) (relating to defining "border security infrastructure").

SECTION 2. Amends Section 11.43(c), Tax Code, as follows:

(c) Provides that an exemption provided by certain sections of the Tax Code, including Section 11.38, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) (relating to prohibiting a person who fails to file

timely a completed application form from receiving the exemption), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. Makes nonsubstantive changes.

SECTION 3. Amends Section 23.013, Tax Code, by adding Subsection (f), as follows:

(f) Prohibits a chief appraiser, notwithstanding Section 1.04(7)(C) (relating to defining "market value"), in determining the market value of real property, from considering the price paid by this state or the United States to purchase a parcel of or an easement in real property described by Section 11.38(a) if the purchase was for the purpose of installing or constructing on the property border security infrastructure as defined by Section 11.38(b)(1).

SECTION 4. Makes application of this Act prospective.

SECTION 5. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act to Section 11.43(c), Tax Code, be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 6. Effective date: January 1, 2026, contingent upon approval by the voters of the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, to authorize the legislature to provide for an exemption from ad valorem taxation of the amount of the market value of real property located in a county that borders the United Mexican States that arises from the installation or construction on the property of border security infrastructure and related improvements.