

## **BILL ANALYSIS**

C.S.H.B. 247  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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. C.S.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.

### **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**

C.S.H.B. 247 amends the Tax Code to entitle a person to a property tax exemption 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 as follows:

- under a qualified border security infrastructure agreement; or
- on land subject to a recorded easement granted by the property owner to the state or the United States that dedicates the property for border security infrastructure.

This exemption applies only to real property located in a county that borders the United Mexican States.

C.S.H.B. 247 defines the following terms for purposes of the exemption:

- "border security infrastructure" as a wall, barrier, fence, road, trench, apparatus, or other improvement designed or adapted to surveil or impede the movement of persons or objects crossing the Texas-Mexico border; and
- "qualified border security infrastructure agreement" as a written agreement entered into between a property owner and the state or the United States to install or construct border security infrastructure on the owner's property.

The bill authorizes a qualified border security infrastructure agreement to provide for the installation or construction of additional improvements on the property that are not border security infrastructure.

C.S.H.B. 247 subjects an exemption provided by the bill to statutory provisions providing for the continued application of an exemption without claiming the exemption in subsequent years until the property changes ownership or the person's qualification for the exemption changes. The bill establishes that it is the intent of the 89th Legislature, Regular Session, 2025, that this provision relating to the continued application of the exemption be harmonized with another act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

C.S.H.B. 247 prohibits a chief appraiser, in determining the market value of real property, from considering the price paid by the state or the United States to purchase a parcel of or an easement in real property located in a county that borders the United Mexican States if the purchase was for the purpose of installing or constructing border security infrastructure on the property.

C.S.H.B. 247 applies only to a property tax year that begins on or after the bill's effective date.

### **EFFECTIVE DATE**

January 1, 2026, if the constitutional amendment to authorize the legislature to provide for an exemption from property 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 is approved by the voters.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 247 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises provisions of the introduced providing for an exemption from property taxation relating to border security infrastructure in the following manner:

- whereas the introduced entitled a person to an exemption for the amount of appraised value of real property owned by the person that arises from the installation or construction on the property of border security infrastructure and for the appraised value of border security infrastructure that is installed or constructed on real property owned by the person, the substitute entitles a person to an exemption for 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;
- whereas the introduced entitled a person to an exemption for land that the person owns and that has been dedicated by recorded easement dedicating said land for the installation or construction of border security infrastructure, the substitute entitles a person to an exemption for 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 on land subject to a recorded easement granted by the property owner to the state or the United States that dedicates the property for border security infrastructure;
- the substitute omits a provision present in the introduced that provided for the termination of the exemption when the property ceases to have border security infrastructure installed or constructed on it or when the property is no longer used for that purpose; and
- the substitute omits a provision present in the introduced that required the comptroller of public accounts, with the assistance of the Texas Facilities Commission or its successor, to develop guidelines to assist local officials in the administration of the bill.

The introduced and the substitute both define "border security infrastructure," but differ in the following ways:

- the introduced included wire and technology among the types of improvements specified in the definition that qualify as border security infrastructure, whereas the substitute does not;
- the introduced specified that the crossing of persons or objects across the Texas-Mexico border the infrastructure is designed or adapted to surveil or impede applies to persons or objects crossing the border outside of land ports of entry, whereas the substitute does not; and
- the introduced specified that the infrastructure be permanently or temporarily affixed by agreement with the Texas government or the U.S. government to property above or below ground located in a county bordering the United Mexican States, whereas the substitute does not.

However, the substitute includes a provision absent from the introduced establishing that the bill's provisions relating to the property tax exemption apply only to real property located in a county that borders the United Mexican States.

The substitute additionally includes provisions absent from the introduced that do the following:

- define "qualified border security infrastructure agreement";
- prohibit a chief appraiser from considering the price paid by the state or the United States to purchase a parcel of or an easement in certain real property for the purpose of installing or constructing border security infrastructure on the property in determining the property's market value;
- establish that the bill's provisions apply only to a property tax year that begins on or after the bill's effective date; and
- establish legislative intent with respect to the bill provision relating to the continued application of the exemption being harmonized with another legislative act relating to nonsubstantive additions to and corrections in enacted codes.

The substitute replaces the introduced version's effective date of September 1, 2025, with an effective date of January 1, 2026, contingent on voter approval of an applicable constitutional amendment.