

BILL ANALYSIS

Senate Research Center
89R26291 PRL-F

H.B. 4580
By: Harless (Bettencourt)
Local Government
5/25/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The bill author has informed the committee that the Houston Livestock Show and Rodeo (HLSR) has been a pillar of the Houston community for over 90 years. The bill author has also informed the community that HLSR owns properties in Harris County that are exempt from property taxes, and HLSR would like to continue to develop its properties in order to help supplement and enhance components of its annual show as well as further the overall mission of the organization. There is a lack of clarity regarding how the exemption for charitable organizations is applied when an organization develops its properties. H.B. 4580 seeks to add clarity to the law and help HLSR continue its mission by codifying HLSR's current property tax exemption.

H.B. 4580 amends current law relating to the exemption from ad valorem taxation of property owned by certain nonprofit corporations and used to promote agriculture, support youth, and provide educational support in the community.

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 Section 11.23, Tax Code, by adding Subsection (n), as follows:

(n) Promotion of Agriculture, Support of Youth, and Provision of Educational Support in Populous Counties. Provides that, in a county with a population of 3.3 million or more, all real and personal property owned by a nonprofit corporation, as that term is defined by Section 22.001 (Definitions), Business Organizations Code, organized exclusively for charitable, educational, and scientific purposes, and held for use in promoting agriculture, supporting youth, and providing educational support in the community is exempt from all ad valorem taxation. Provides that use of property exempted by this subsection for purposes other than promoting agriculture, supporting youth, and providing educational support in the community does not result in the loss of the exemption if the revenue derived from that incidental use benefits the beneficiaries of the charitable organization that owns the property. Provides that this subsection does not exempt from ad valorem 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 subsection.

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 11.23(n), once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) (relating to prohibiting a person required to apply for an exemption in a given year from receiving the exemption for that year if the person fails to file timely a completed application form), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 5. Effective date: January 1, 2026.